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TRADE UNIONISM DEMOCRACY DICTATORSHIP

BY
FRANZ NEUMANN

WITH PREFACE BY
PROF. H. J. LASKI

Dr. Franz Neumann, late Member of
the Berlin Bar, Legal Adviser to
German Trade Unions, Lecturer in
Industrial Law in the German School
of Political Science, Deutsche
Hochschule für Politik.

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FOREWORD

THE W.E.T.U.C. is issuing the present volume to meet the need for text books which will provide an introduction to modern problems. The aim is to give an outline of facts and to encourage further study. The author takes full responsibility for the views expressed. The W.E.T.U.C. hopes to arrange for the publication of further volumes in the same series if the demand for the present volume justifies this.

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PREFACE

DR. NEUMANN'S little book will, I think, be found of real value to all serious students of the working-class movement. He has set out the implications of certain fashionable ideologies, the understanding of which is vital if British trade-unionism is to avoid the catastrophes which have attended the Labour Movement elsewhere. He has done so with a consciousness possible only to one who speaks with profound knowledge of the movements he discusses and practical insight into their operation. As a distinguished exile, Dr. Neumann knows at first hand the continental experience whose results he has analysed. I hope his account will stimulate British trade-unionists to strengthen the foundations of their own defence.

For his analysis makes it clear that the real character of the anti-democratic movement is the destruction of the right of the worker to safeguard his interests by free association. Stripped of its ideological pretensions, the Fascist State is simply a mechanism for handing him over, defenceless, to the exploitation of the capitalist. All its elaborate institutions do not conceal the final facts that, under its operations, the conditions of labour are mainly worsened, and the classic defences against this deterioration are no longer open to the worker. We are, of course, tempted to insist that a misfortune like Fascism could not happen to ourselves. But the Austrian and German workers said the same thing ; and the causes which led to the

success of Fascism in their countries are at work here, even if the soil is historically less favourable to their growth. The roots of Fascism are not national but universal. They lie in the inability of capitalism, especially in a political democracy built upon universal suffrage, to make the profit-motive work in the period of its decline. Unless the workers understand the significance of this, and act in the light of that understanding, the trade-union movement in this country is no more safe than it has proved to be elsewhere.

Nor must we underestimate the degree to which, under the mask of constitutional forms, Fascist tendencies are already at work in Great Britain. The Trade Union Act of 1927, was a typical species of the genus which Fascism has made classical. It forbids the general strike and sympathetic strikes; where these take place, it puts trade-union funds at the disposition of judges who have not been notable for their sympathetic understanding of trade-unionism; and it cuts off something like 200,000 civil servants from the enjoyment of trade-union rights. All this is done in the name of the supposed inescapable duty of the State to protect the community. Yet it is clear that the real way to deal with strikes is to remove the grievances which lead to their occurrence; and for this no recent British Government has shown any effective concern. And it is clear, also, that the employers could ask nothing from the Government so helpful to them as the assurance that legal action in the Courts will follow upon any expression by the workers of industrial solidarity.

Nor must we forget that the Trade Union Act of 1927 does not stand alone. The decline in respect for liberty is a notable feature for our time. It is evident in the greatly increased number of prosecutions for

sedition, in the imprisonment of Tom Mann and Emrys Llewellyn when they were held guiltless of any offence, and in the Incitement to Disaffection Bill, which is now on its way to the Statute Book despite the fact that the widespread protest it has evoked has been upheld even by Conservative lawyers of great eminence. It is shown also in the decision, by the Unemployment Act of 1934, to prevent Parliamentary interference with the conditions established for the Unemployed. It is again, in the large-scale subsidisation of industry without any safeguards being introduced for reasonable standards of hours and wages to the workers employed in them. Capitalism in distress throws the burden of its difficulties, as in Italy and Germany, upon the worker and the taxpayer; it does the same thing in Great Britain, if in less degree. Dr. Neumann is, I think, wholly right in his insistence that, despite difference of national tradition, the same economic causes will tend to produce the same political effects unless the workers are prepared to defend their historic freedoms.

It is, moreover, important to realise that the psychological hold of the trade-unions upon their members is, for various reasons, less intense than it was even a generation ago. The memory of the great struggles in which they were born means much less to the younger generation. Many of the services they once provided are now offered by the State so that trade-union membership is no longer a condition of their enjoyment. Machine-technology has destroyed a good deal of the significance of the older craftsmanship. The decadence of the staple industries, the expansion of new trades, particularly in distribution, has seriously interfered with the fulfilment of trade-union purposes. And the great depression has had the inevitable effect

of driving the trade-unions more and more into politics where they find, from the very nature of the capitalist system, that the incidence of the employers upon the machinery of the State is inevitably greater than anything they can hope to exercise. All the successes of trade unionism in the twentieth century have still left untouched the central citadel of capitalism.

But the growth of the Labour Movement on its political side threatens that citadel ; hence the parallel growth of Fascist tendencies. The decline of faith in Parliamentary government is not, I think, any proof of its administrative inadequacy compared with its Fascist alternatives. On the contrary, it is rather the proof that, when its conditions are fully observed, it enables the workers to capture the machinery of the State and becomes suspect to the votaries of capitalism as this victory is seen to approach. There is not an argument in the arsenal of those who attack the Parliamentary system which was not a commonplace of discussion in the Victorian age. The difference is that then the owners of property felt secure. To-day, when they suspect that their privileges are in danger, the old arguments assume the proportions of a religious faith. Men always suspect the workings of democracy when it moves to the establishment of results they do not like. The degree to which the privileged classes resent it ought, for the workers, to be the measure of its value.

It is, I think, an implication of Dr. Neumann's work that it has become urgent for the trade-union movement to form an unbreakable alliance with those in the middle-classes whose interests march along with its own. German, Italian, and American experiences have all shown the significance of the professional worker in a critical epoch such as ours. Labour has an interest in that maximum production it is the function of the

professional worker to secure. At present he is subordinated to the interest of the profit-motive ; and scientific competence, as Veblen has shown in his notable books,¹ is sacrificed on that altar. The more fully he can be convinced that trade-union purposes are in harmony with his own the more assured are those purposes of fulfilment. At present with rare exceptions, his psychological affiliations are all the other way. His knowledge and ability need to be organised for trade-union service ; and the making of such an alliance is, as the experience of Russia has shown, fundamental to the success of trade-unionism, even to its survival. It is an alliance that needs to be made quickly if it is to bear its fruit. For Italian and German experience show decisively how rapidly Fascism moves to its appointed end once it is well under weigh.

I may perhaps annotate here a mild disagreement I have with Dr. Neumann, upon the significance of trade-unionism in Russia. I think he underestimates the importance of its functions there. But I think he has also failed to see that proletarian dictatorship necessarily suspends the free market, and that this as a consequence, makes the function of trade-unionism quite different from what it must be in a capitalist State. The compensation, which he does not mention, is all-important. It lies in the knowledge that the successes of Russian industry are reflected in the worker's well-being ; and that there is no deduction from that well-being by way of rent and interest and profit for the benefit of the owning and managing classes in the society. And, further, it is true to say of the Russian system that, with grave defects, it enables

¹ *The Theory of Business Enterprise*, and *The Engineer and the Price System*. (Allen and Unwin).

the worker, through his trade-union, to win opportunities in the disposal of his industrial life which are definitely not open to him in capitalist countries.

No study of the relation between trade-unionism and dictatorship is adequate unless it emphasises the elementary fact that Fascism preserves all the characteristic features of capitalism. Its State may take high-sounding names like the "Corporate" State. It nevertheless remains a society dominated by the interests of those who own the instruments of production. It is vital that the arrival of Mussolini to power was the result of an agreement with the Army and the great industrialists; it is vital that Hitler obtained power on similar terms. The Russian dictatorship, with all its faults and errors, is free from the need to think first and last of the interests of private property. Its achievements, as they grow to maturity, accrue solely to the benefit of the common people.

We in Great Britain may still hope to avoid the revolutionary solution of our difficulties. But we shall avoid them only so far as trade unionists are fully aware of what they are and develop the strategy necessary to overcome them. It is not going to be an easy task. It will call for a reconsideration of principles born in an epoch when trade unions did not need to challenge the foundations of the capitalist system. The necessity for such a challenge has now arrived. The value of a book like Dr. Neumann's is the clarity with which it sets out the implications of this position.

HAROLD J. LASKI.

CHAPTER I

PROPERTY AND TRADE UNIONISM

I.—PROPERTY

PROPERTY is not merely control over material things. Property in the means of production confers also power over human beings. Herein lies the main function of property. By virtue of his control over material things, the property owner controls the individual as worker, consumer and citizen. The worker is divorced from the means of production. The only property which he disposes of is his labour-power. But this he can turn to useful account only by combining it with the means of production, which do not belong to him and over which he has no say. Property in the means of production, therefore, exerts a twofold effect on the worker. Firstly, it is an attractive force. It attracts the worker and, by drawing him into an endless chain of new contracts for the sale of his labour-power, forces him to convert that power into money. Secondly, property implies power of constraint. From the moment that the worker passes the threshold of the factory gate, he surrenders part of his personal freedom, puts himself at the disposal of an outside authority and is placed under a foreign sway. The functions of attraction and constraint are therefore the two decisive effects which private property exerts on the worker.

Over and above this, the property owner dominates the consumer and the State, i.e., the citizen,

The property owner exercises this dominion in five different spheres. His control over the worker becomes effective in the first instance, in the *business concern* (factory, shop) which is the technical unit in which the undertaking is organized. Here the worker works. Here he experiences the authoritarian power of his employer.

The economic power of the employer is embodied in the *undertaking*. It is here that decisions on economic questions are taken. Whether we deal with a single undertaking or the combination of several undertakings into a cartel, a concern or a trust, in no way affects this fact.

The worker's wage and conditions of employment are determined in the *labour-market*. This is the third place in which property in the means of production exercises its authoritarian function. The worker's wage and conditions of employment are determined in the labour-market by the owner of the means of production. The contract between employer and worker is only formally a free contract. In reality its form veils the dictatorial power of the employer.

The power of property over the consumer finds expression where the property owner is in a monopolistic position ; i.e., is able, through economic power, to raise his prices and conditions of sale above the level at which they would be if free competition prevailed. Here, in the *commodity market*, the monopolist dictates the prices and supply conditions which the consumer must accept.

The fifth and last sphere in which property's power of domination becomes patent is the *State*. In the State, property exercises decisive political functions which vary according to particular historico-political situations.

The power of constraint possessed by property sets the working class and the State a series of problems. The central problem confronting every workers' movement and every State is the problem of restricting or abolishing the power relationship. But this, of course, must not be interpreted to mean the abrogation of every form of superior-subordinate relationship. Obviously, every community of work presupposes organisation, and organisation necessarily implies discipline. The problem in question is rather that of replacing the employer's dictatorial power by a democratic power which the workers shall either share or which they alone shall wield.

To the five points enumerated above there correspond five problems which the working-class movement and the State are called upon to solve.

Firstly, there is the question of measures for the prevention of unscrupulous exploitation of the worker's labour-power inside the factory; that is, regulations for safe-guarding the health, life and labour-power of the worker. Over and above this, however, there arises in the factory, where the power of constraint of the employer becomes visible, the further question of the employees sharing in the control and administration of the factory. Since decisions on economic matters are taken in the factory, the workers' movement and the State are confronted with the problem of obtaining for themselves a share in the management of the undertaking, cartel, concern or trust.

For the labour-market cannot be left to the dictatorship of property, and the labour movement and the State must therefore find ways and means of influencing the labour-market; that is, they must evolve rules and regulations which vest them with the right

to a share in the determination of wage rates and conditions of employment.

Nor can the consumer be left to the monopolists' power. The same problem that arises in the labour-market, presents itself also in the commodity market. Here, too, the question suggests itself as to whether the State and the social organizations shall have the right to control the supply conditions and prices at present fixed by the monopolists.

Ultimately, however, the fight to smash the power of property will have to be waged in the centre of the rule of private property, the State.

II.—TRADE UNIONISM.

The organizations which have set themselves the tasks of countering the power of property are the Trade Unions. The functions of the Trade Unions may be said to fall under three heads. First, they execute the functions of *Friendly Societies*, and in as much as they do so, the Trade Unions are based on the principle of mutual assistance. They help their members in the most diverse ways, such as by granting them sick and accident benefit, out-of-work pay, strike and lock-out pay, and superannuation allowances. They provide legal aid for their members in the Courts. Some of them provide educational schemes of the most varied kind. They provide for the public and professional training of their members and officials. For this purpose they must have their own press, their own places of meeting and assembly and their own administrative staff. Lastly, they have domestic tribunals of their own, whose function it is to settle disputes between a member and his organization and between one organization and another. In all these

directions the Trade Unions carry out pioneering work. Almost all the State systems of unemployment relief, labour exchanges, accident and sick benefits, are modelled on the antonomous arrangements devised by the Trade Unions. It is this function of the Trade Unions, (the inner Trade Union function) which has reached the highest point of development in England and it had a marked effect upon German Trade Unionism.¹

The second function of the Trade Unions is what might be designated the *marketing function*. Through this function the Unions aim at the control of the labour-market. They confront the power of private property in the means of production with the power of the organized workers. Here their function is a twofold one. They either lay down the conditions of work and wage rates or, in so far as the State regulates these conditions, they control the execution of such regulations through their executive machine. The most important means for the stipulation of wage rates and conditions of work is the collective agreement. For the regulation of wage rates and conditions of employment the Trade Unions use peaceful methods, e.g., negotiations, investigations and inquiries, and exercise influence and persuasion on the authorities in the factory or undertaking. The final weapon is the strike and the boycott, and sometimes they may resort to passive resistance.

Finally, however, the Trade Unions are *political* unions. Their aim is not only to control the labour-market, not only to assist their members, but at the same time to influence and bring pressure to bear on the State. This influence extends to all the three functions of the State, to legislation, government and

¹ cf. the 2nd German Trade Union Congress of 1896.
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the administration of justice. To this end the Trade Unions resort partly to direct methods, by participating in the administration of the State, by negotiating with the State officials, or by waging a political struggle in the form of a strike. More often they use indirect methods to attain their objective, particularly by endeavouring to carry their demands through the agency of a political party and a parliamentary group.

Trade Union policy is always to influence the activity of the State ; it is only the centre of gravity which shifts between these three functions, according to the particular historical, political and economic situation in which the Trade Unions find themselves. To sum up, their aim is always a twofold one : to raise the standard of life of their members and thereby also of the whole working class ; but at the same time to realize the idea of freedom which inspires the workers' movement, that is, to free the worker from the fetters of property and to replace the power of property by communal control. The Trade Unions strive not only to secure high wages and decent conditions of work for the worker but also to win for him a new social and political status.

CHAPTER II

STATE, TRADE UNIONS AND PROPERTY

INTRODUCTION

To begin the account of Trade Union development by going back to the middle ages would serve no useful purpose. For however interesting such historical descriptions are, they have no real importance for us because we should be comparing the incomparable. Unions of journeymen in the mediæval economic system were not Trade Unions. Conflicts between journeymen and masters in a regulated economy are conflicts within one and the same class. For private property in the pre-capitalistic era lay in the ownership of work and constituted the basis of the productive activity of the workman; the worker was not yet divorced from private property.

The history of the right of combination begins rather at the moment when capitalistic society evolves for itself a legal order conformable to its needs. Combination pre-supposes a proletariat. But a proletariat is possible only where property in the means of production is private.

If we look at the development of the relation between the State and the Trade Unions we can distinguish four stages, though it must be understood that these stages overlap and that traces characteristic of any one of them reappear in the next stage.

In a realistic account such as this, we understand by the State *a machinery of coercion which claims and*

successfully uses the monopoly of force for the pursuit of certain definite ends. Theories and ideologies of the State are quite unimportant in this connection. We insist on the actual fact that every State lays claim to the monopoly of breaking the will of the individual by force, if necessary.

I.—AUTOCRATIC LIBERALISM AND TRADE UNION PROHIBITION

In the early period of Capitalism, Trade Unions were illegal. This tendency of prohibiting every combination of workmen for the realization of social aims is a uniform feature of all capitalistic States. The outstanding example of this is *France*, which, by the Le Chapelier law, passed on June 14th, 1791—but two years after the Revolution—prohibited every form of workmen's combination and under articles 414—416 of the penal Code forbade workers' organizations to take decisions, nominate chairmen and secretaries and forbade State officials to receive any petitions from such organizations. This anti-trade Union law was still further strengthened by the law of April 10th, 1834.¹

The French Revolution exerted a great influence on *England*. Pitt's law of 1799, generally known as the "Corresponding Societies Act"² prohibited the combination of separate local Trade Unions in England. By the Combination Act of 1799—1800³ every unlicensed

¹ According to a statistical report of 1825—1848, 7,148 persons were charged with breaches of the Trade Union Law and only 1,081 were acquitted. 1,251 trade unions were, during this period, subject to interference by Criminal Courts.

² 39 Geo. III. c. 79.

³ 39 Geo. III. c. 81 and 39 and 40 Geo. III. c. 106.

combination of workmen was punished as an act of conspiracy against the State.

In *Prussia* the same development took place. The General Civil Code (*Allgemeine Landrecht*) forbade the stoppage of work on workdays, thereby frustrating the use of the main Trade Union weapon, the strike. Under the section 182 of the Prussian industrial law of 1845 all assistants, journeymen and factory workers who aimed at inducing other persons to bring pressure to bear on the authorities or at effecting a stoppage of work, were severely punished. By the law of April 24th, 1854, these vetoes on combination were extended to apply to domestic servants, agricultural and forest labourers and river and ship-workers. The Prussian mines and collieries Act of 1860 forbade industrial combination among the miners.

In *Austria*, the penal Code of 1803 prohibited every kind of agreement among workmen as well as every combination for economic purposes, and the penal code of 1852 interdicted every form of economic union.

It is striking that in all the above-mentioned countries the period of anti-Trade-Union legislation sets in at about the same time. The reasons for this are clear and obvious. Awakening Capitalism did not want to be trammelled by any fetters. The anti-combination laws were, of course, justified by a lofty individualist ideology. Typical, for instance, is the speech delivered in Parliament by *Le Chapelier*, the father of the French combination law on June 14th, 1791. "There remains," he said, "only the interest of the individual and the interest of the commonweal, and no one is entitled to win over citizens for the pursuit of any interests which conflict with these and alienate them from service to the State through the medium of

corporate interests." It is remarkable how strongly this ideology resembles that of Fascism.

The period of the prohibition of combination did not, of course, imply that during it no Trade Unions remained in existence, and that no Trade Union activities took place. Here, as so often, social forces proved stronger than the State. One need only recall the Luddite riots of 1808—12 and the strike of the Lancashire cotton spinners in 1808. With the abolition, however, in 1813 and 1814 of the Elizabethan laws providing for a general local regulation of the apprenticeship system, naked individualism triumphed. The general characteristics of this period are: collective contracts for the regulation of conditions of employment were null and void; Trade Unions were dissolved; and membership of them, no less than their continued activity, was a punishable offence. Thus freedom in the capitalist system had revealed itself as naked freedom to exploit, with the sanction of law behind it.

II.—ENLIGHTENED LIBERALISM AND TRADE UNION TOLERATION

Despite the opposition of the State, the Trade Union organization achieved so great a measure of success that in all States the Government was forced to rescind the anti-combination laws. The earliest signs of the victory of the Trade Union idea were to be seen in *England*. The law of 1824¹ and 1825² established the legality of Trade Union organizations. Henceforth workers were no longer punishable for belonging to Trade Unions. Nevertheless certain penal clauses set

¹ 5 Geo. IV. c. 95.

² 6 Geo. IV. c. 129.

very narrow limits to Trade Union activity. Trade Unions had no status as corporate bodies and could therefore take no legal action for the defence of their funds. Furthermore, the use of force or attempts at intimidation were still criminal offences, a fact which rendered the activities of the Trade Unions, in particular resort to the strike weapon, extraordinarily difficult. Again, the Courts of Law constantly separated the different spheres of Trade Union activity. Yet in spite of all this, the period of the formation of Trade Unions centre round these years, the more so as the Reform Act of 1832 did not grant the franchise to the workers. One need only recall names such as Robert Owen and his Grand National Consolidated Trade Union. Within this period, also, falls the beginning of progressive labour legislation, the limitation of the working day, restriction on the employment of women and the introduction, in 1847, of the Ten Hours' Day for women.

But Capitalism with the help of the Courts continued to attack Trade Union activity so that the Molestation of Workmen Act was passed in 1859.¹ It interpreted the freedom of the Trade Union activity and extended its range. However, this act left it to the Courts to express what subject matters of Trade Union activity, except wages and labour hours, were illegal or not. The Trade Union Act of 1871² provided that a Trade Union would not be illegal merely because it was a Trade Union and that it could acquire legal status by registration with the Registrar of Friendly Societies. This Act secured the Protection of Trade Union funds, so that the unions were able to bring actions against their officials. But the Criminal

¹ 22 Vict. c. 34.

² 34, 35 Vict. c. 31.

Law Amendment Act,¹ passed in the same year, left the way open for an attack against strikes. Although the strike in itself would have been lawful, the threat of a strike was illegal. The Conspiracy and Protection of Property Act of 1875² finally freed ordinary strikes within certain limits from their criminal character. Yet now, as ever, the penal paragraphs which obstructed Trade Union activity were retained. *The Taff Vale Case*, of 1901 brought a regression, in that the Trade Unions were declared to be liable for the tortious acts of their officials. The Trades Disputes Act of 1906³ rescinded this decision of the Courts. In the *Osborne Case* of 1908 it was decided that all those activities of the Trade Unions not recognized by the laws of 1871—1875 were illegal, so that with the year 1906 we may consider the period of toleration to have come to an end.

In *France* the prohibition of Trade Unions led to a permanent revolutionary wave. Trade Unions were formed nevertheless and the Provisional Government in the Revolution of 1848 conceded the right to combination in the decree it issued on February 27th of that year. But the reaction, which lasted from 1849—1860, brought a tremendous retrogression in its wake, led to the compulsory dissolution of the Trade Unions and to ruthless punitive measures against them.⁴

The law of May 25th, 1864, at last brought with it the recognition of freedom of combination. But, here again, just as in the English law of 1825, the restrictive penal laws are maintained. The Commune of 1871, however, which swayed the destinies of France for but a brief span of time, led once more to a ruthless reaction by the State. By the law of March 14th, 1872 strikes

¹ 34 and 35 Vict. c. 32.

² 38 and 39 Vict. c. 86.

³ 6 Edw. VII. c. 47.

⁴ During the period 1853—1860 there were 3,297 convictions.

were declared illegal, and it was only after the enactment of the law of March 21st, 1884 that freedom to combine was definitely granted. But even then the Trade Unions were denied the right of forcing their members to observe the disciplinary rules laid down by them. This period of toleration lasted till 1919.

In *Germany* the period of prohibition lasted until 1869. The Industrial Code of the North German Confederation, passed in May of that year, abolished the veto on combination for the first time, but only for industrial workers.

The regulations did not affect agricultural labourers, domestic servants, land labourers, seamen and State employees, all of whom remained forbidden to combine. Penal laws, similar in character to those of the English law of 1825, imposed insuperable difficulties on Trade Union activity.

In *Austria* the period of suppression lasted till 1870. Freedom to combine was conceded by the law of March 7th, 1870, though the combinations received no legal status.

The common characteristic of this period of toleration is that the social power of the working class movement and its fight against the State eventually led to the position that the State, whilst no longer daring to attack the existence of the Trade Unions directly, sought, by means of a whole series of provisions, as well as with the help of the penal code and the Courts of Law, and in particular through the police force, to make the life and activity of the Trade Unions as difficult as the legal regulations would allow. *Philip Lotmar*, the pioneer of the German labour law, has summed up this period in the words: "Die Gewerkschaft ist frei, aber sie ist vogelfrei." (The Trade Union is free, but is outlawed.)

CHAPTER III

DEMOCRACY AND TRADE UNION
RECOGNITION

I.—THE TRIUMPH OF TRADE UNIONISM

THE triumph of democracy brought with it the recognition of the Trade Unions, gave them a new status, and acknowledged without reservation their threefold function as social, market and political unions. This development has found its clearest expression in Germany, England and Austria.

The *German* Trade Union movement has a short but stormy past.

At the end of 1877 there were 30 socialist Trade Unions. Of these 25 were central organisations with a membership of about 50,000. The democratic Trade Unions had roughly 42,000 members. Bismarck's anti-Socialist law of October 19th, 1878 suppressed the socialist Trade Unions, though after the revocation of the law they revived rapidly and vigorously. In 1890 the Socialist Trade Unions joined forces under the leadership of Carl Legien. The great upward swing of the movement dates from this time. The democratic Trade Unions on the other hand stagnated and only their professional workers' section attained significance.

In 1891 were founded the Catholic Trade Unions, which gained a foothold mainly in the Catholic Rhineland and Westphalia, and likewise had their centre of gravity in the professional workers' unions.

Apart from these there existed insignificant unions and national workmen's unions, which were never able to exercise any important influence.

The membership figures of the Free Trade Unions (workmen's) were :

1891	...	...	278,000	
1900	...	...	680,000	
1914	...	...	2,075,000	
1922	...	...	7,800,000	(Inflation.)
1924	...	...	4,600,000	(Stabilization.)
1930	...	...	4,800,000	

The membership of the Christian Trade Unions (workmen's) were :

1903	...	...	91,400	
1914	...	...	282,000	
1922	...	...	1,049,000	(Inflation.)
1924	...	...	612,000	(Stabilization.)
1930	...	...	658,000	

The membership figures of the Democratic Trade Unions (workmen) were :

1891	...	...	61,899	
1900	...	...	91,000	
1914	...	...	77,000	
1922	...	...	230,000	(Inflation.)
1924	...	...	149,000	(Stabilization.)
1930	...	...	163,000	

We find a different state of affairs among the professional workers' unions. Here the influence of the "Democratic" and the "National Germans" preponderated. This was all the more the case since the members of the socialist professional workers' unions were to a very large extent employed in co-operative stores, social insurance organizations and municipalities where a strong social-democratic and trade-unionist influence prevailed. When, after 1930, this influence weakened, the stimulus to joining the socialist professional workers' unions waned also.

The "Deutschnationale Handlungsgehilfen Verband" (Union of National German Commercial Clerks) which constituted one of the most important groups of the National Socialists, grew uninterruptedly from a total membership of 160,000 in 1914 to an aggregate membership of 409,000 in 1931. This organization, by the way, caters for men only. The corresponding women's organization had 92,000 members in 1931.

The democratic union of employees in 1931 had 327,000 members (men and women).

On the other hand, the Socialist employees' union in 1931 had only 203,000 members (men and women). 125,000 foremen and 62,000 technicians remained organized in the Socialist unions of employees. But these two unions were only traditionally members of the socialist unions. They were the first to drop out. Thus, strong as were the roots which the Socialist Trade Unions struck in the workers' movement, these unions were lamentably weak in the professional workers' movement. What the causes of this were, and to what consequences it led, will be shown presently.

The German Constitution of August 11th, 1919, vested the Trade Unions with the strength of special recognition in the Constitution.¹ In the first place, the Constitution acknowledged their existence vis-à-vis the State. The Government, no more than the legislature or the police force, were to have the right to dissolve the Trade Unions. Secondly, the Constitution laid it down that the Trade Unions were free bodies, beyond the control and independent of the Government. Lastly, the Trade Unions were summoned to fulfil certain positive tasks.

The entire social system of Germany, from 1919—

¹ Articles 159 and 165.

1932, was based on the idea of parity. This parity was a parity of employers and workmen, a parity between Catholicism and Protestantism, a parity as between the different federal states of Germany. It was a particular system of equilibrium, in which the State was pictured as a neutral power, soaring above the several equal groups, and whose duty it was to intervene only if and when these antagonistic forces could not settle their differences by their own devices.

If now we link this up with our discussion of the five points at which the might of property finds expression, we find that the Weimar Republic endeavoured to bring the Trade Unions' influence to bear on all those five points.

To begin with, the worker was protected against abusive *exploitation of his labour power*. An innumerable number of laws for the protection of labour secured him from such exploitation. The control was vested in the factory inspectors. These inspectors were increasingly selected from the ranks of the Trade Unionists. The responsibility for the execution of the laws relating to the length of the working day lay mainly with the Trade Unions, which in these questions very often sought the assistance of the Works' Councils. The Law of February 11th, 1920, relating to Works' Councils, restricted the employer's power of control and created certain rights of co-operation. If we draw a comparison between the *business concern* and the State we can say that the works' councils law introduced the fundamental basis of constitutional monarchy into the Labour Code. Just as the State has three powers, legislation, administration and the administration of justice, so also is the business and industrial undertaking equipped with these same powers. Prior to the introduction of this law, all three

powers were vested exclusively in the employer. He was the sole legislator, for he issued the factory rules. The administration was centred in him, for he engaged and dismissed the workers. He was the sole judge, for he inflicted the punishments which were provided in the factory rules. The works' Council Acts vested the legislative power jointly in the hands of the employer and the work's council, which was elected independently of any influence or pressure on the part of either the State or the employer. If no agreement could be reached between them, the Board of Arbitration (later the Labour Court) issued the factory rules.

In the administrative sphere, also, the work's council had an interest, even though only a limited one. When a worker was dismissed he could protest to the works' council. If the council supported the protest and the employer still declined to employ the man further, the worker could sue for reinstatement or damages at the Labour Court. The councils, further, had the duty of supervising the maintenance of the collective agreements, the observance of the factory rules and the protection of the workers.

The factory rules could be applied only with the joint concurrence of the two parties. If they could not agree, the decision rested with the Labour Court. In everything the works' councils were what the German called the "elongated arms" of the Trade Unions in the factory. Formally, indeed, they were independent of the Trade Unions, but they constantly had recourse to the Trade Union organizations for assistance in the fulfilment of their duties; the members of the Council were trained and educated in the Trade Union schools and supported by the Trade Unions in every conflict they had with the employers.

The attempt to make the influence of the working class movement prevail in *the sphere of the undertaking* did not succeed to any considerable extent, since very soon after the enactment of the works council's law, the reaction in Germany found its feet again. The works' councils had the right to send up two delegates to the Boards of Control of the Joint Stock Companies and to examine their balance sheets and profit and loss accounts. But it cannot be said that these provisions were of much importance.

The influence of the Trade Unions in the *Commodity market*, was equally weak as far as the coal and potash industries are concerned, special laws (erroneously called socialisation Acts) provided for semi-state management. To these public bodies the Trade Unions could delegate representatives; they were thus to a certain extent participants in the management of the coal and potash industries.

Their decisive influence, however, found expression in *the labour market*. By a decree of December 23rd, 1918, issued by the Council of Peoples' Deputies, the *collective agreements* were legally recognized as the legal means for the control of wages and conditions of employment. When Trade Unions and Employers' unions reached collective agreements regulating wages and other conditions of employment, the provisions of these agreements became automatically part of the employment contract concluded between the organized employers and the organized workmen. Diverging provisions which placed the worker in a less favourable position were not allowed. Since only organized employers and workers were affected by the agreements and since moreover there was the latent danger that unorganized workers would displace the organized or that employers would take on only non-union men, the

same law provided for the contingency that, should it prove necessary, the Minister of Labour might by decree extend the range of the agreement to the whole branch of an industry or trade. Of this right the Minister of Labour made constant use until 1931.

If no volutary agreement as to wage rates, etc., could be arrived at, the State, which had been represented as a neutral person, intervened. By a decree of 1923, *arbitration boards* were created. The chairman of such an arbitration board was a State official and its membership consisted of an equal number of employers and Trade Union representatives. This arbitration board announced decisions which the two parties could accept or reject. If they were rejected, an official of the Reich had the right to promulgate a binding award, which constituted an imposed wage agreement between the Employers' Association and the Trade Union.

But a regulation of wage rates and conditions of employment can be effective only if it is accompanied by an unemployment insurance high enough to prevent an undue fall in wages.

Apart from a few unimportant attempts, the *unemployment insurance* system is entirely the work of the Weimar Constitution and the Trade Unions. After numerous experiments, unemployment insurance and unemployment exchanges were regulated by a law of 1927. The responsible body for the whole unemployment insurance and labour-exchange system was the Reich Board for Employment Exchanges and Unemployment Insurance. It was organized into one central, thirteen regional and 361 local boards. Each of these various boards consisted of an equal number of representatives of employers, workers and public bodies (Federal States, Municipalities, etc.) under the

chairmanship of a neutral official. The whole system was under the supervision of the Minister of Labour of the Reich.

In this law we find a further expression of the collectivist Democracy where the States summoned the assistance of autonomous private societies for the efficient execution of its business.

Unemployment insurance embraced about 17—18 million people. The unemployed person received relief after a certain waiting period and according to the average wage he had been earning. After the Acts imposed during the crisis, the scales of unemployment relief ranged from RM 6,40 (6/5) to RM 37,80 (37/9) at par per week. The funds were raised by equal contributions from the workers and the employers and supplemented by loans from the Reich.

Committees were appointed for the settlement of disputes over the claim to and the extent of benefit, and these committees again were constituted on the parity principle.

Insurance and the finding of new employment were co-ordinated. The guiding aim of the establishment had always to be the return of the unemployed into the production process. To this end the State introduced and maintained educational centres—though only in inadequate numbers. There were also the *relief works*, which were embarked on mainly by public corporations (drainage schemes, road building, tenement building for land labourers, etc.). After many struggles and legal disputes the Trade Unions eventually succeeded in establishing the principle that relief workers should be paid the usual Trade Union scale of wages, so that no wage pressure on the wages of the employed workers could take place.

This system was supplemented by an extensive system of further social insurance, employees' insurance, accident and old-age insurance, workmen's insurance and insurance against illness for manual and professional workers.

The fifth and last sphere in which the rule of property comes to the fore, the *State*, was likewise a wide field for Trade Union activity. This activity, moreover, was carried on in all the three regions of the State's functions, viz., in the legislative, administrative and judicial spheres.

The German Constitution had introduced political democracy and had refused to create a second chamber, constituted on a professional and occupational basis. The Trade Unions, could not, therefore, participate directly in the legislative process.

But all the Trade Unions in Germany, the Socialist (free) Unions, as the strongest, the Christian and the Democratic Unions, had their political ties, that is to say, each of these organizations was attached to political parties. Thus the free Trade Unions were attached to the Social Democratic Party ; the Christian Trade Unions to the Centre Party, their professional workers' organizations were, to a considerable extent, connected with the German Nationalist and subsequently with the National Socialist Party ; and the Democratic Trade Unions were linked to the Democratic Party.

Thus, indirectly, political influence was extremely strong. The Social Democratic Party was financially dependent mainly on the Free Trade Unions, and the more frequently elections were held, the stronger did this dependence become. The consequence was that—thanks to the block electoral system—a large number of Trade Union secretaries found their way into Parliament. There—as was only natural—they stood

for the Trade Unionist policy ; i.e., a policy of social reform. This policy, however, often conflicted with the general policy of the Government of the day. In 1930, for instance, the Cabinet of the Reich, led by the Social Democratic leader *Hermann Mueller*, was defeated by the Trade Unions because it (or rather the Liberal Ministers in it) wanted to lower the scales of unemployment benefit. Earlier, in 1920, the Trade Unions defeated *Kapp*, the reactionary leader of a Putsch, by declaring a powerful general strike.

No important political decision was taken without the Trade Unions. And it was very often they who turned the scale ; their influence was invariably stronger than that of the Social Democratic Party.

In the *judicial sphere* the Trade Unions played an active part in the administration of industrial justice. The Law relating to Labour Law Courts, of 1927, created special *Labour Courts* for the settlement of disputes between master and servant, employer and work's council, and the parties to collective bargaining. These Courts dispensed justice cheaply and expeditiously. Throughout this sphere, the influence of the Trade Unions was extraordinarily strong. The judges in all the three Courts consisted, besides the State Judge, of an equal number of representatives from the Employers' Association and the Trade Unions. In the first Court only Trade Union officials could represent the worker. In the second Court the worker had the right to choose as his counsel either a Trade Union official or a lawyer. In the third Court only lawyers could plead.

Thus in this region also, the Trade Unions, as the recognized representatives of the workers, were called on to advise in State affairs. That the same applied to social administration, has already been shown.

True, this vast system of collectivist democracy was never carried through completely. That it should be, was indeed promised in the Constitution. But the continued growth of the political power of the reaction, frustrated the realization of the promise. And therefore there existed as the foundations of a democratic economic structure only the Works' Council, the Trade Unions and the Economic Council for the Reich. The whole middle part of the structure, which should have led stepwise from the Works' Councils to the Economic Council for the Reich, was never completed. Even the Economic Council for the Reich remained only a provisional one. (May 30th, 1920). The last attempt to transform the provisional into a permanent Reich Economic Council (July, 1930) failed because nobody was very much enamoured of the proposal.

The provisional Economic Council for the Reich had 326 members. It was divided into ten groups ; in the majority of these groups the three Trade Union movements, according to their respective strength, were represented by an equal number of delegates as the employers. The significance of the Economic Council was twofold: it was an advisory organ for the Government in matters of social, economic and financial policy, and at the same time it served as an organ of inquiry. But even in the execution of these two functions the Council was obstructed from the very moment that the political crisis supervened in Germany ; i.e., since 1930.

The *standard of life* of the workers rose as follows: in 1928 the wage increases amounted to 6.8% ; in 1929 to 3.8% ; in 1930, despite the crisis, wages and conditions of employment remained unchanged, thanks to the influence of the Trade Unions and the functioning of Democracy.

In 1931 and 1932, however, when Parliament was put out of action, under the Bruening and von Papen Governments, the standard of life was appreciably lowered.

The Weimar Democracy, a Democracy of the Social Democratic Party and the Free Trade Unions, had thus achieved two things: it had won for the working-man a comparatively speaking high cultural level, and it had begun to give the worker a new political and social status.

Austria shows a similar development.

Already in 1900, one fifth of all the Austrian workers were organized in the Free Trade Unions.

The membership figures of the Socialist Trade Unions (manual and professional workers) were:—

1919	...	...	...	295,000
1924	...	...	...	828,000
1929	...	...	...	737,000
1930	...	...	...	655,000

As for the Catholic Trade Unions, it is astounding that, in a purely Catholic country, they in 1930 could muster only 111,000 members. In the same year the membership of the Racial (or anti-semitic) Trade Unions was only 45,000.

The trend of the relationship between State and Trade Union in Austria was similar to that in Germany. The Works' Councils Act of 1919 decreed the legal recognition of the Trade Union representatives in the factories. The duties of these Works' Councils were similar to those of the German Councils, viz., control and supervision of the execution of the collective bargaining agreements, and conclusion of supplementary agreements with the employer. In this way the Works' Councils were embraced by the Trade Unions and a syndicalist disintegration was thereby avoided.

In the *Labour market*, also, the Trade Union's right to collaboration was, as in Germany, assured. The law of 1919 recognized the collective bargaining agreement as the method of regulation of wages and conditions of employment and stipulated that this method was to apply to all members of a factory or other industrial undertaking. The *anti-terror law* of April 5th, 1930, was the first, and unsuccessful, attempt to deal a blow at the collective bargaining agreement and the Trade Unions.

The method by which Austria gave the workers' movement official legal professional representation differed from that adopted in Germany. A law of 1920 created *Public Chambers* in which the workers and professional employees were jointly represented. These Chambers rank beside the Chambers of Industry and Commerce, the representative organizations of industry and commerce respectively, and their members are elected by the workers and professional employees. 78.8% of the electors voted for the nominees of the Socialist Trade Unions, 10.4% for those of the Christian, 7.86% for those of the Racial and only 2.79% for those of the Communist Trade Unions. These Chambers have to take a stand on all questions of commerce Trade and industry which either indirectly or directly affect the workers or professional employees.

In all other respects (arbitration but not compulsory Labour Courts, unemployment relief) Austrian legislation was very largely identical with that of Germany.

In the *French* Trade Union movement two different movements intersect one another, viz: the *professional* movement which aims at the creation of national unions on a professional and occupational

basis ; and the non-occupational, *local* combination into "Trade Councils" (Bourses de Travail).

Only when after 1892 the local Trade Councils had combined into a National Union was it possible for the the movements to reach agreement at the Congress of 1902 and for the "Confederation Generale du Travail" to be formed. This union is politically neutral ; it believes in direct action. But "direct action," says Jouhaux, "does not mean rebellion, barricades, disorder and plunder, as our opponents would have you believe." It means that "the workers are determined to settle their own affairs by their own strength and their own resources." The C.G.T. recognizes the class struggle in its economic form and refuses to acknowledge the state's rôle as mediator in industrial disputes. It sees *the* weapon of the workers in the *economic general strike*. But the war has also reduced this syndicalist theory to absurdity. The French Trade Unionists have in practice trodden the same path as their European comrades, namely the path of social reform with State intervention in all spheres of life.

By a law of March 12th, 1920 the Trade Unions were legally recognized and declared to be the representatives of the working class. A Work's Council Law, such as that of Germany or Austria does not exist in France. On the other hand, a law of March 25th, 1919 vested the Trade Unions with the right of participation in the regulation and control of the Labour Market. The Trade Union concludes the collective-wage agreements and it is entitled to sue in its own name for the fulfilment of these contracts.

By a decree of January 17th, 1925, a National Economic Council was created. It is under the control of the Prime Minister and includes representatives of

the employers, workers, consumers and the liberal professions. The Council also has the function of preparing social and economic legislation.

Numerous other laws embrace the Trade Unions as an organ in the control of legislation.

Of the position in *England*, the country with the unwritten Constitution, it is extremely difficult to give a systematic account. Legal pronouncements, on Works' Councils and collective bargaining agreements for instance, do not exist. But in England, also, the tendency to assign marketing and political functions to the Trade Unions has gone very far. "The Trade Union officials are to a large extent entrusted with quasi judicial and administrative functions."¹

Mention may be made of the National Wages Board for Railways ; the Railway Rates Tribunal ; the Central Electricity Bd.; the British Broadcasting Co.; the Economic Advisory Council created by the Prime Minister ; is the Courts of Referees ; the Courts of Appeal in dispute cases of Unemployment Benefits ; the 43 Trade Boards ; the Imperial Economic Conference of Ottawa in 1932 ; the World Monetary and Economic Conference in 1933 ; the Consultative Commission by the Ministries of Education and Health ; and Consultation in National Industrial Questions.

II.—THE BREAKDOWN OF TRADE UNIONISM AND THE SUPREMACY OF THE STATE.

Two phenomena characterize the period of Trade Union recognition : (1) in the economic sphere, the transformation of the capitalist competitive economy

¹ Milne Bailey, *Trade Unions and the State*, p. 141.

into a *monopolistic economy*, (2) in the political sphere, the transformation of the constitutional State into a *mass-democracy*. Both tendencies change the whole structure of society and the State.

The concentration of capital assumes different forms. In Germany, property creates for itself different organizational forms, according to the particular point at which it exercises its authority and privilege. For the control of the *commodity* market, capital organizes itself in the cartel, the concern and the trust.

For the control of the *labour* Market, capital organizes itself in the Employers' Association, and, in order to bring pressure to bear on the *State* apparatus, German Capital is organized principally in the "Reichsverband der Deutschen Industrie." (Reich Union of German Industry).

No country in the world, with the possible exception of America, has experienced the tendency towards the concentration of capital to such an extent as Germany. In 1930 about 50% of German industry was organized in cartels. This tendency is very largely explained by a series of historical circumstances, in particular by the fact that Germany entered the world market very late, and by the fact of the inflation, which brought about a tremendous concentration of capital. Germany was in the position to snatch up at one blow and to turn to her own use those technical improvements which England achieved after a long and laborious development. This mammoth system, which cannot be described here, lived mainly from its monopoly revenue, that is to say, from the utilization of its powerful economic position. When, in the economic crisis, the cartel system threatened to collapse, the State was summoned to its assistance.

This help was vouchsafed it by subsidies on a grandiose scale, by patronage of the cartel system, by the raising of tariffs and other means.

In general, it is to be noticed that the influence of the State grows uninterruptedly. The State itself assumes extensive economic activities. It has an interest in a large number of banks ; it works mines ; it manages railways ; it owns and controls the postal services ; it takes up shares in many industrial undertakings, not infrequently paying very high prices for them in order to save big capitalists from bankruptcy.

In the sphere of social policy, the State—whose direct representatives preside in all the “parity” organizations—acquires a more and more decisive influence, since it is increasingly becoming the case that the two antagonistic organizations cannot reach agreement.

Mass-democracy has strengthened the political consciousness of the working-class. The experience of the war has made the working-class thoughtful the world self-conscious and has finally detached the working-class-movement from the tail end of the bourgeois political parties. These two facts, the appearance of a self-conscious working-class-movement in the political field, and the transformation of the competitive into the monopolistic economy, have changed the entire picture of the State, of society and of the economy and have to a far-reaching extent brought society under the management of the State.

What effect has this development had on the functions of the Trade Unions?

Increased productivity occasioned by the introduction of scientific methods of production leads to a diminution in the number of workers employed, thus

unquestionably creating technological unemployment.^{1 2}

A further consequence of rationalization and standardization is that *the composition of the workers changes*. The growing tendency for the economic system to be organized in cartels, giant concerns, and trusts creates a new bureaucracy. The number of office workers, clerks and officials increases. The introduction of scientific methods and standardization reduces the number of skilled workers, whilst at the same time increasing the number of technical superintendents and unskilled and semi-skilled workers, especially also of women.³

As markets contract and competition intensifies, the distributive apparatus grows. Consequently, the number of those engaged in the distributive process, i.e., professional workers and women, is augmented.

There can be no doubt that social legislation and the policy pursued by the Trade Unions have facilitated

¹ Two examples from the Coal industry are instructive in this context: In 1925, 343 pits employed 575,000 workers with an output of 238 tons. In 1929, 266 pits employed only 517,000 workers, and the output was 315 tons. The Ilse mine (lignite) in 1929 had an output of 8,600,000 tons and employed 6,942 workers. In 1929, with an output of 12,280,000 tons it employed only 5,694 workmen.

² I do not discuss the merits of any particular theory such as whether the unemployment is necessarily permanent or whether it is merely temporary. The fact remains that technological unemployment and the economic crisis came together.

³ In the United Steel Works the number of manual workers was reduced between 1919—29 from 183,100 to 134,700, and the number of employees rose during the same time from 15,700 to 16,400.

Between 1907 and 1925 the number of professional workers rose by 87% whereas the number of workers increased by only 27.2%; the number of women employed augmented by 34% and the number of all wage earners (professional and manual workers) increased by only 24%.

and even consciously promoted this tendency towards the concentration of capital, rationalization and standardization. High wages, better wage and employment-conditions, a highly developed and widely applied system of labour protection, etc., constitute a heavier financial burden on medium and small-sized undertakings than on large-scale ones in which the ratio of fixed to circulating capital is high, i.e., undertakings which employ relatively little labour and much machinery.

It is undeniable that the entrepreneur must endeavour to escape every enforced rise in wages and every increased expenditure imposed on him by the demands of social legislation. This "saving" usually takes the form of the introduction of labour-saving machinery, which displaces workmen.

Moreover, the German Trade Unions deliberately furthered this rationalization process. They did so because of their optimistic belief that the displacement of workers in these undertakings would lead to increased employment in those branches of industry which produced the technical machines and that the rise in purchasing power would increase production to such an extent that the industries producing mass-products would eventually reabsorb the unemployed.

But the consequences of monopolistic organizations, affecting both employers and employed, must not be overlooked. Trade Unions give birth to employers' associations. These invariably arise only as opponents to the Trade Unions. Whilst hitherto the Trade Union was faced with one individual employer, it is now confronted with an organization of employers. On the other hand, the combination of employers into associations give rise, in its turn, to centralization within the Trade Unions. Yet employers' associations do not

in themselves constitute a menace to the Trade Unions. They begin to become dangerous only when the Trade Unions are confronted with monopolies. In this case the strength of the Trade Unions is often inadequate to deal with powerful monopolies. The Trade Unions then require the help of the State.¹ But the growth in the economic activity of the State also brings the Trade Unions into direct conflicts with the State. The more firmly the State arrogates economic activities to itself, the more frequent in the regulation of wages and conditions of employment will the State itself become the antagonist of the Trade Unions. What are the consequences of this development for the Trade Unions? There can be no doubt that the appeal of the Trade Unions to the vocational interests of the worker is weakened. Unemployment, especially chronic unemployment, completely estranges the unemployed workman from his Union.

Chronic unemployment and the altered composition of the workers' movement are two vital causes of the weakening of the Trade Unions. That this is true of chronic unemployment cannot be disputed.

In 1929	...	...	13,3%
In 1931	...	...	34,7%
In 1932	...	...	45 % (February and March)

of the total membership of the free Trade Unions were out of work. At the end of 1932, for instance, about 90% of all the members of the builders' and the carpenters' unions were unemployed.

The unemployment statistics tell an impressive story. In January, 1929, there were 2,850,000 ; by December, 1932, the figures had mounted to 5,921,000.

To these figures must be added those of "invisible" unemployment, which totalled about 2,000,000.

¹ cf. p. 48 note 1.

With this position, unemployment insurance could not possibly cope. When the unemployment insurance Act was promulgated one had reckoned that the maximum number of people for whom provision would have to be made at any one moment would not exceed 800,000. In the end, seven or eight times that number had somehow or other to be provided for. Only 638,000 unemployed received benefits from the unemployment insurance fund in October, 1932. Only 1,130,000 people were given "crisis pay." The remainder were thrown back upon the charity of the Municipalities, which themselves were on the verge of bankruptcy.

The Trade Unions, for their part, had continuously to reduce their own scales of benefit. The falling-off in membership and the unemployment of their members had drained their exchequers.

The changed *composition* of the workers likewise contributed to the weakening of the Trade Unions. Unskilled workers, inspectors, administrative officials, shop assistants and women are extremely difficult to organize. The growing significance of the professions heightened the significance of their Trade Unions. But the majority of these were bourgeois; for the professional employee did not want to become a proletarian. He did not want to be "reduced to the level of the masses;" he wanted to retain his middle-class status and he strove not only to preserve, but to extend, his privileges. And in this he succeeded. In social insurance and social legislation, professional employee and worker were treated differently. The insurance benefits of the professional employees were higher than those of the workers. The period of notice of which a professional employee was entitled was longer than that vouchsafed the worker. Indeed,

in 1927, a law was passed almost unanimously in the Reichstag, giving older professional employees the right to an exceptionally long period of notice. No Party dared to oppose the demands of the employees (nor of the officials). They had their henchmen in every political faction. But Capital said to itself: divide and rule; grant privileges to a small group at the expense of a large one, and you win their support.

This was what happened. This "new middle-class" became the mass-reservoir of the National Socialists.

But the Trade Unions' appeal to the workers' vocational interests is unquestionably weakened also by the increased activity of the State in the regulation of wages and conditions of employment.

The arbitration system, the legal extension of the collective wage bargaining agreements to unorganized workers, unemployment insurance and the whole system of social insurance, made it appear to the worker that he no longer had any need for the Trade Unions. "If the State takes charge of all these things, what use are Trade Unions?" This was the stock question in Germany.

Owing to the constantly increasing State control of social life and the appearance of the State as an economic opponent, the number of strikes diminished. Similarly, in the crisis, it became more and more difficult to reach voluntary agreements with the employers. The number of forced interventions by the State into the industrial relations between employers and workers grew. For in a monopolistic economy every strike affects more or less the entire economic system and thereby also the State. The risk involved in a workers' struggle became greater; the success less certain. Only big strikes, sympathetic strikes, now held out any prospects of success. In the

case of Germany, moreover, one must not forget that during the crisis very big strikes could easily lead to civil war. Thus the outlay incurred by the German Trade Unions for strike purposes has continuously diminished.¹

Throughout 1931 the German Trade Unions did not declare a single offensive strike.

A further important reason for this lies in the fact that the Collectivist Democracy binds the Trade Unions and the State closer together. True, the Trade Unions are independent and free; but this close contact leads the Trade Unions to develop a psychological attitude of dependence on the State.

11906	of total expenditure of the Trade Union for strikes	36.2%
1910	" " "	32.9%
1921	" " "	26.3%
1924	" " "	21.3%
1925	Period after inflation !	20.6%
1926	" " "	2.6%
1927	" " "	6.9%
1928	" " "	15.3%
(Lock-out of the metal workers in the Rhineland and Westfalia. This lock-out could (that is significant—) only be partly won by the Unions because the Prussian State paid poor relief !)		
1929	" " "	4.9%
1930	" " "	3.0%
1931	" " "	4.9%

The same development happens in *Austria*.

1904-1913 713 average strikes a year involving 98,000 workers concerned				
1920	329	"	179,000	"
1924	401	"	268,000	"
1925	287	"	46,000	"
1926	186	"	18,000	"
1927	195	"	28,000	"
1928	272	"	32,000	"
1929	202	"	23,000	"
1930	80	"	5,000	"

We can summarize the process of transformation referred to in this chapter as follows:

(1) The existence of Trade Unions gives rise to employers' Associations.

(2) The Trade Unions' policy aiming at the improvement of the standard and conditions of life of the working class, facilitates the process of rationalization and also the concentration of capital.

(3) Rationalization and monopolization create technological unemployment and change the composition of the workers.

(4) The State tends increasingly to assume the rôle and functions of employer of labour.

(5) The purely economic power of the Trade Unions consequently wanes.

(6) The significance of the free collective bargaining agreement and of the economic strike diminishes.

(7) The power of the State grows uninterruptedly.

These developments are tolerable from the Trade Unions' point of view if and so long as political democracy functions; if and so long as the working class movement is able politically, in Parliament through a Parliamentary majority, or at least through Parliamentary opposition, to influence and bring pressure to bear on the State apparatus. "Parity" and "Neutrality" are fictions. The State must take a definite stand. It must make up its mind. It will effect a compromise between the interest of employer and worker only if it is forced to do so by political pressure, that is, if it is prevented by public opinion and Parliamentary criticism, from supporting the interests of employers in a partisan manner. But the moment that the Trade Unions lose their advantage, the moment that the rights of political freedom are trampled on and destroyed, the moment that Demo-

cracy is undermined, and the State becomes a naked class dictatorship, then the working class movement is completely subjugated to that dictatorship.

This pluralistic system cannot possibly be permanent. For it is essentially static in character, whereas society, economic conditions and politics are in a state of constant change, are, that is to say, dynamic in nature, and therefore threaten to overthrow this artificially balanced system. In the crisis such a system must necessarily collapse. For in the crisis the Trade Unions are an obstacle to the fall in the standard of life of the workers. The rigidity of the Trade Union system proves to be a handicap to the necessities of Capitalism. Property therefore uses its power in the State to maintain its supremacy through State intervention. The Bruening and Von Papen Cabinets, which preceed the Hitler Dictatorship, had, through no less than five emergency decrees of the President of the Reich, affected an appreciable lowering of the standard of life, not only in wages but in the social amenities.

But while the rights of political liberty still exist, so long as there is a free press, so long as freedom of meeting and assembly is preserved, so long as democracy is articulate, then the State must recognise mass-democracy and cannot venture to defend the interests of property exclusively against the interests of labour. It must make certain concessions to labour. It cannot utterly shatter the constitutional position of the workers. It follows therefore that, when driven to extremes by economic exigencies, Monopoly Capital must destroy democracy and the last vestiges of political liberty by using the entire forces of the State. This, in fact, is the history of the German democracy.

Since 1930, the German democracy has been under-

mined, the sovereignty of Parliament systematically destroyed and the rights of political and social liberty withdrawn. The democratic State has systematically been confronted with an Anti-democratic State.

For the Trade Unions, there was, since 1930, only one possibility, only one road to salvation: to become one hundred per cent. political Unions and concentrate their entire energy on fighting for the preservation of Democracy and the rights of political Liberty. Only through the capture of the state-machine was there any hope of preserving their independence as well as of guaranteeing the security of the rights of the workers. This, certainly, would have meant a general strike, followed by civil war, the issue of which was uncertain.

But so far from treading this path, the German Trade Unions since 1932, took the very opposite direction. They endeavoured to hammer out a new ideology for themselves, a pure Trade Unionist ideology. They even went so far as to represent the Hitler Government's declaration that the first of May was to be a National holiday, as a victory for the Trade Union idea. Slowly but surely they severed their connection with the Social Democratic Party in the hope of saving their organization.

Though they—more even than the Social Democratic Party—bore political responsibility, they tried hard to become "unpolitical" when they realized that for those who fought for freedom and Democracy politics entailed the risk of destruction. They did not assume this risk; but they were destroyed nevertheless. The same development took place in Italy. The Italian Trade Union leaders, d'Aragona, Rigola, etc., accepted the Treaty of Palasso Vidoni (October 22nd, 1925); they renounced their right to strike and begged only to be

allowed to continue their activities to research and industrial assistance work. But this withdrawal, this attempt to become "unpolitical" in order to save the life of their organization, did not help them in the very least. They too, have suffered the fate which every Totalitarian State decrees.

CHAPTER IV

THE TOTALITARIAN STATE AND THE
DESTRUCTION OF THE TRADE UNIONS

I.—FASCISM

FASCISM and National Socialism, both of which are based on the idea of the Totalitarian State, do not recognize groups with an independent existence of their own, groups which come between the State and the individual. Both Fascism and National Socialism would subscribe to Le Chapelier's declaration when, on June 14th, 1791, he confirmed the French law prohibiting Trade Unions. "The individual," he said on that occasion, "owes allegiance solely and exclusively to the State and to no one else." Independent Trade Unions, that is Unions free from State control, Fascism cannot allow. It cannot concede that combinations of workmen should freely and independently elect their leaders. It cannot tolerate that Trade Unions should, through their collective strength try to regulate wages and conditions of employment. It cannot allow any kind of independent social or political influence to emanate from Trade Unions.

That a dictatorship which tolerates Trade Unions is committing suicide, is shown by Spain's example. The dictatorship of Primo de Rivera tolerated the Trade Unions organized in the "Union General de Trabajadores" and led by F. Largo Caballero. This body was one of the organizations which brought about

the downfall of the dictatorship and finally of the monarchy.

This central idea of Fascism explains the process which National Socialist Germany calls "Gleichschaltung," "assimilation." Sports club and glee club, Trade Union and Employers' Association, chess club and Theatre, Bee-keepers' Union and Churches—one and all have suffered or will suffer the same fate—as the evangelical Churches are now suffering.

So far as the Fascist State tolerates Trade Unions at all, they are organizations which bear no resemblance in character to Trade Unions but are either legally or *de facto* organs of the State, whose policy is not autonomous, that is to say, determined not from within but from outside, either by the State or the Fascist Party which dominates the State apparatus, with leaders not elected from the ranks of the Trade Union members but either nominated by officials or appointed by the all-powerful Fascist Party.

These truths apply not only to Fascist States, they are equally valid for Bolshevist Russia, even though, because of the different historical development and the wholly different social and economic structure of Soviet Russia the effects of the system are not the same as in a Fascist State.

Fascism can be defined as the political rule of the petty-bourgeoisie, which veils the economic dictatorship of Monopoly Capitalism.

As has already been shown, in the Fascist theory of the State, the State is everything, the individual nothing. The individual has no natural rights. All rights are derived from the State. They are simply the reflex-rights of the State. This is brought out most clearly in Mussolini's formula: "Fascism conceives of the State as absolute, in comparison with which all

individuals or groups are relative, only to be conceived of in their relation to the State."

The history of the pre-war Italian Trade Unions is in many respects similar to that of the French. The Italian Unions, too, had their origin in the "Works Chambers," local unions of different categories of workers, and the national professional associations. In 1906, after a bitter quarrel with the anarcho-syndicalists, there was founded the central organization, the "Confederazione Generale del Lavoro." Before the War the membership of the Confederazione was:

Year	Members
1907 ...	190,000
1910 ...	302,000
1914 ...	321,000

Apart from this organization, which can be called Socialist, the Catholic Trade Unions, embraced in the "Confederazione Italiana dei Lavoratori," played a rôle.

After the War these two Italian Trade Unions grew by leaps and bounds. The Socialist Unions had:

In 1919 ...	1,159,000 Members
In 1920 ...	2,150,000 Members
In 1921 ...	1,128,915 Members

The Catholic Unions had 988,000 members in 1920.

The strength of the workers, however, lay not only, perhaps not even mainly, in the Trade Unions but primarily in the co-operative movement.

It was precisely this extraordinary Trade Union and co-operative progress which induced landed property and capital to finance and support Mussolini's "Fascio Di Combattimento." On January 24th, 1922, the Fascist Party created its own Trade Union organization, the "Confederazione Nazionale Della Corporazioni

Sindicali," under the leadership of Edmondo Rossoni. But even after the March on Rome (April, 1922) and the seizure of power by the Fascists, the Socialists, and, also the Catholic Trade Unions remained, despite the terror and the ruthlessness of the State apparatus, an important factor ; they retained the confidence of the mass of the workers. Even after the March on Rome, the followers of the Socialist Confederazione triumphed in all the elections to factory committees. So powerful was the influence of the Socialist Trade Unions that the Fascist Trade Unions, despite the fact that they rejected the strike weapon, were forced to fall into line with a workers' struggle which was waged in the Metal Industry after the Fascists seized power.

In November, 1924 the Fascist Trade Unions themselves declared their membership figures to be 1,766,023.

Eventually, however, the efforts to destroy the power of the Social Democratic, Catholic and Communist Trade Unions proved successful. By the agreement signed between the Party and the Fascist Unions on October 22nd, 1925, in the Palazzo Vidoni, only the Fascist Trade Unions were accorded the right of concluding agreements as to wages, conditions of employment, etc. As all other organizations were denied this right ; they were automatically reduced to impotence. From this time onwards the monopolistic position of the Fascist Trade Unions, which were under the direct control of the Fascist Party, has been maintained and strengthened. Finally, we come to the Trade Union Law of April 3rd, 1926. In this law one uniform syndicate for every district and every branch of industry or trade was legally recognized. These "uniform" syndicates represent each of the several professions, by virtue of the aforementioned decree.

Other associations and unions may, it is true, exist, but only in theory. Having no legal status, they actually do not exist. They are not tolerated. Thus the journal of the Fascist syndicates "Il Lavoro Fascista" of July 1st, 1930 writes: "The formation of such Unions would interrupt the rythm of social construction. Such Trade Unionist bodies, be their complexion Catholic or Social, would, in the last analysis, simply attack the Fascist Trade Unions. It would be a form of suicide to further their formation."

The agreements on wages and conditions of employment, which the Trade Unions, recognized by the law of 1926 may conclude, apply equally to all the workers in a particular industry, trade or profession, be they members of the Fascist Trade Union or not. It follows that the Fascist Trade Union is entitled to raise contributions towards the covering of its expenses from non-organized workers also.

The officials of the Fascist Trade Unions must be morally, politically and nationally reliable. The Trade Unions are under the control of the State, which can remove the officials and delegate the leadership of the Trade Unions to State commissaries. The assertion that about 50% of all the secretaries of the Fascist Trade Unions are lawyers, who have been entrusted with the management of the affairs of the Trade Unions by the Ministry of Corporations, has so far never been disputed. As late as September 26th, 1931 the Fascist State did not deem the Italian worker morally and nationally reliable enough to be appointed a Trade Union official. For on that day the Fascist journal "Il Lavoro Fascista" wrote as follows: "The Nation must at last clearly understand how we select the Trade Union leaders; it must realize that their selection does not depend on the fitful and subjective

estimation of the Confederazione, but is considered in the first instance by the Minister of the Interior, the prefect, the secretary of the Fascist Party and the provincial leaders, so that prior to the official approbation we are already put in possession of all the necessary political guarantees about them by the Minister of Corporations.

This clearly indicates the attitude of the Fascist State towards the Trade Unions. Only after a thorough examination by the Party and the local State organs does the Minister of Corporations appoint the Trade Union secretaries.

From this it is self-evident that the syndicates are real State organs and that there can be no question even of a minimum of autonomy.

But not all workers have the right to organize. The same law forbids State employees, municipal employees, railwaymen, postal workers, workers in State-controlled concerns, officials and teachers to organize. As regards these categories of workers, the Fascist State fears that in these occupations it would be dangerous to apply even its own modest theories of self-government.

The Courts of Labour (*magistrato del lavoro*) have a double function. First, they lay down the conditions of employment and the wage agreements, and secondly they are called on to settle disputes arising from these wage agreements. There cannot be the faintest suggestion of conditions of employment which would take into consideration the needs of the workers, since the three judges, who constitute the Labour Court, are dependent State officials; for to Fascism, which brings all spheres of life under State control, the independency of the Judiciary is something unknown.

In spite of this thoroughly safeguarded and all-pervading influence of the State, the Government

deemed it necessary to reserve for itself rights of intervention in the fixation of wages. According to the decree of July 1st, 1926, every collective wage agreement contains the so-called "*clausula rebus sic stantibus*," which plays such a baneful rôle in international law. It gives each party to the agreement the right, in important circumstances, to terminate the wage agreement. The employer is thus enabled to demand alterations in the existing agreements on wages and conditions of employment ; and of this power the employers make frequent and far-reaching use.

In all other respects the Fascist State has, during the last few years, i.e., since the beginning of the world economic crisis, acted in the same way as all the purely Capitalist States. By legal decrees, irrespective either of the Labour Courts or existing wage agreements, it has reduced all the wage rates stipulated in those agreements.

The Fascist idea of a corporative structure is said to be embodied in the *Carta de Lavoro* (April 21st, 1927) and in the Corporation Law of February 5th, 1934.

In Italy in countless propaganda pamphlets, the "*Carta del Lavoro*" is held up to the world as the outstanding example of the embodiment of a new idea of the State, namely of the Corporative State in which class-antagonisms are abolished and employers and workers work together in perfect harmony. The first part contains the principles of the Fascist doctrine: The Italian Nation is a moral unit, an organism, which finds its realization in the State, and which is set above individuals and groups. The "*Carta*" acknowledges private initiative in industry and commerce and considers State intervention in the economy to be permissible only in exceptional cases. The rest of the first part merely repeats the main clauses

of the Trade Union Law of April 4th, 1926 and the By-Law of July 1st, 1926. The collective agreement as to wages and conditions of employment is characterized as the realization of solidarity among the various factors of production. In the second part border-line regulations of a general kind are set up. Strikes and lockouts are prohibited and punishable. There are certain regulations on work, night work and Sunday rest. The third part is concerned with employment exchange. Notice of vacancies may only be supplied through the recognized exchanges, so that non-Fascists are exposed to starvation. The fourth part contains general regulations on social welfare, assistance and training.

The transformation of the Trade Unions into State organs, entailed, of course, changes in their structure. The National Confederation of Fascist Labour Syndicates (*Confederazione nazionale dei sindacati fascisti dei lavoratori*) as it now called itself, with the old syndicalist Rossini as its president, was the central and co-ordinating confederation of the Fascist Trade Unions. This confederation, however, soon began to develop a life of its own.

The leader, *Rossoni*, honestly believed that the Fascist State could concede a degree of relative liberty. Discussing the position of the Fascist Trade Unions, at the Congress held in May, 1928, he said: "*The Corporation has now become an organ of the State. This does not imply that the syndicates' liberty of action must be curtailed. For just as the law leaves the development of the individual personality untouched, so also it can allow the personality of the syndicate to develop.*"

In both assertions *Rossoni* was mistaken: Fascism has muzzled the individual, and to the Trade Union,

especially, it has not allowed any kind of freedom whatsoever.

Thus "Le Confederazione nazionale" soon came into conflicts with the State. One conflict arose out of the Trade Unions' demand that factory representation should be instituted within the factories. On a subsequent occasion the opposition of the Trade Unions to the corporation system that is, to a permanent collaboration with the corresponding Employers' Associations in State organs, was the cause of their conflict with the State apparatus.

And so, at the end of 1928, this National Confederation of Fascist Labour Syndicates was dissolved. Rossoni was removed and a so-called purge (sbloccamento) of the Trade Unions was made, a kind of cleansing operation which is common both to the Fascist States and to the Bolshevist system.

Since the functions of the Fascist Trade Unions in the matter of regulating wages and conditions of employment are fast disappearing, the State attached more importance to winning the worker in his spare time, and it therefore created a "leisure-time" organization, *the Dopolavoro*.

The sham influence of the Trade Unions found expression, for instance, also in the electoral franchise. According to a law promulgated on May 17th, 1928, the National Fascist Syndicates (workers' and employers') were entitled to nominate four-fifths of the Parliamentary Candidates. The Fascist Grand Council had the right to select the Parliamentary Candidates from the lists of suggested candidates handed in by the employers' and workers' syndicates. The names of the selected Parliamentary candidates were then put on one list, which applied to the whole of Italy, and to this list the Italian citizen could say only "yes" or "no."

Investigations have shown that the Fascist Grand Council systematically gave preference to representatives of the liberal professions, high officials and members of patriotic associations over the members of the Syndicates. Despite this influence of the devoted loyal functionaries of the Fascist State, this sham Parliament has recently been abolished. The Corporative State was promised by the Trade Union Law of 1926, by the Carta, the Law of March 20th, 1930, by which the *National Council of Corporations* (Consiglio nazionale delle corporazioni) was created. It is a central State organ with an allegedly equal representation of workers and employers. In reality, the representatives of the liberal professions, of the fine arts, and the employers have an overwhelming majority over the workers' delegates. All the members of the National Council of Corporation are appointed by the King on advice of Mussolini. The functions of this Council of Corporations lie in the field of social and economic policy and are of no great importance. It has advisory functions. It can also empower the syndicates to conclude collective wage agreements. So far, however, not one piece of original work has emanated from this Council, nor, in particular, have any steps been taken in Italy to start a planned economy.

Now that Parliament too has been replaced by a Corporations' Parliament to which the Corporations send their delegates, the last vestige of Democracy has vanished.

The Law of February 5th, 1934¹ is praised in Italy and by political charlatans as the beginning of a new epoch in industrial and constitutional law, but it reveals

¹ Printed in "The Political Quarterly" 1934, Number 3 page 400.

most clearly the fallacy of the corporate State. Fascist ideology asserts that the Italian State is based upon the corporations, the intermediate links between employers' and workers' syndicates. It is insisted that the corporations do not touch the "autonomous" life of the syndicates and that it is untrue to say that they have swallowed up the syndicates as even Rossoni once believed. But they themselves clearly say so.

Art. 1 of the Law begins by stating that the "corporations. . . are created by decree of the Head of the Government" (Mussolini). . . .

Art. 2 "The corporations are presided over by a Minister, an Under-Secretary of the State or the Secretary of the National Fascist Party appointed by decree of the Head of the Government."

The Head of the Government can do anything; he can order a joint session of two or more corporations and he can create Corporate Committees "to regulate the economic activity in regard to stated products. . . ." The exercise of "collective regulation of economic relations to secure unitary discipline in production" is dependent upon the consent of the Head of the Government (Art. 7).

It is the State that creates, leads and uses the 22 corporations which are divided into three groups. The Italian State is not built upon corporations, but the corporations are based on the State. They are ordinary State organs, as expressed in sect. 43 of the Bye laws. "The corporation is no legal entity but an organ of the State. The law which has to create the corporations determines their competence and rights."

These organs of the personal dictatorship will destroy the last rights of the syndicates and justify the fears of Rossoni. The corporation has to fix rates for labour and economic services (Art. 10) and to settle labour

disputes (Art. 13). Thus—the syndicates are stripped of all their functions even though they are themselves dependent on the State.

So greatly therefore does the Fascist Dictatorship fear opposition that even unions dependent on the State are deprived of the rest of their functions.

The whole system turns on the veiled dictatorship of the Fascist Party, that is of Mussolini, who dominates the Party. This grandiose architectonic structure has no real functions to fulfil. All the social institutions,—syndicates, collective agreements on wages and conditions of employment, corporations, etc.—are in the service and under the control of the State.

And to what end does the State use these wonderful organizations?

Two declarations of Mussolini reveal the political and social idea underlying the whole system. In March 23rd, 1921, Mussolini published in his paper "*Il Popolo d'Italia*" an article, from which we cull the following sentence: "We can afford the luxury to be aristocrats and democrats, reactionaries and revolutionaries, to obey laws and to disobey them, according to the conditions of time, space and environment, in a word according to the history in which to live we are compelled." This means simply that the political aim of Fascism is directed solely at the preservation, under all circumstances, of the power one has seized, and to compromise with all institutions, all parties and all objectives, if such compromise can in any way help to keep Fascism in power.

And the social idea of Fascism found expression in his famous speech in the Chamber at the beginning of May, 1934, when he said: "We are approaching a period in which mankind will find its equilibrium on a lower standard of life. But this need give no cause

for anxiety. That mankind can be a strong mankind, capable alike of enthusiasm and heroism." The social system is thus seen to be that of naked and unashamed capitalist exploitation. In this system all the needs and requirements of the workers and the middle class are made subservient to the needs of Capital. Fascism, whilst formally conceding rights to the workers, really robs them of their rights, since under Fascism the worker has no right to self-determination. The creation, leadership and activity of his organizations are functions of the State and are not in any sense autonomous.

How does Italy's balance sheet look? Hugh Quigley has told us in his essay "Fascism fails Italy."

"Italy has gained, on balance, nothing in the cultural, economic and political spheres during the period October, 1922—March, 1934, which can justify the Fascist experiment. It has lost, on the contrary, twelve years.

"2. Industrially and socially, Italy has definitely lost ground. It is only necessary to wander up the valley of the Oglio and visit manufacturing centres in the vicinity of Milan, Turin, and Venice to discover how paralyzed industrial equipment has become.

"3. In art and culture, Italy has painfully reached the state of development of 1921, but the population is poorer, less effectively educated and less capable of supporting any cultural movement that lacks State aid.

"4. Deflation has so undermined the structure of State finance and banking that only further desperate measures of restriction can keep it intact. Its collapse, under the present régime, is only a matter of time."¹

¹ Current History 1934 (June) p. 265.

Mr. Quigley is chief statistical officer of the Central Electricity Board in Great Britain and knows Italy well.

About the position of the worker we summarise :

In the factory he has no influence whatsoever. Works' Councils do not exist, though they fit in more with the syndicalist ideas than with those of German and English Trade Union Theory.

In the undertaking neither the worker nor the State has any influence. The State prohibits the founding of new undertakings if they are likely to damage existing concerns. The State subsidises businesses to a tremendous extent.

In the labour-market, wages and conditions of employment are regulated by organs of the State. These are either State Trade Unions or State Labour Courts or—as during the crisis—State decrees.

In the State the worker is under the absolute dictatorship of one man and his Party.

II.—BOLSHEVISM

The characteristic tendency of a Dictatorship not to brook any independent organizations intermediate between the individual and the State, is to be found also in the Bolshevik system. But in handling Russian problems one must always keep two things in mind : First, that prior to the triumph of Bolshevism (October, 1917) Russia had never known a democratic nor even a liberal system of government. Bolshevism followed directly upon Feudalism. Secondly : the Bolshevik Dictatorship embodies an idea : the idea of Socialism. Whether the methods it uses to realize this idea are, or are not right, does not concern us here. We are only interested in the Trade Union question.

In the pre-war period Trade Unions played no rôle. At the Russian Trade Union Congress of 1906, 200,000 members were represented. In the period of

reaction which succeeded the Revolution of 1905, the Trade Unions were almost completely destroyed.

On the eve of the War their total membership was approximately 50,000.

With the outbreak of the Revolution of February, 1917, which created a bourgeois-liberal State, the number of Trade Unionists increased to 1½ millions. But this movement represented merely an unconsolidated, politically uneducated mass, which in the struggle between the Mensheviks and Bolsheviks were continually being tossed hither and thither. It is characteristic, for instance, that the first Trade Union Congress held after the Revolution, which was numerically the third ever held, ended with a victory for the Mensheviks. The Conference elected an "All-Russian Central Trade Union Council," consisting of 5 Mensheviks and 4 Bolsheviks. Yet the Bolsheviks succeeded, mainly through Works' Councils, in winning the rank and file of the workers to their side, and the first Congress after the October Revolution gave the Bolsheviks a majority, so that on the new Council there were 7 Bolsheviks and 4 Mensheviks.

The idea of Works' Councils (Soviets) itself, is alien to the idea of Bolshevism. The political theory of Lenin who dominated the Bolsheviks, consisted of two fundamental theses: The masses are not in and of themselves capable of developing a revolutionary consciousness. They can only acquire a Trade Union consciousness. A revolutionary consciousness can be created only by a party of professional revolutionaries, that is, by a Party which consists solely of members who consecrate their life and devote their whole time to the Revolution. With this ideology, the conception that Works' Councils could become the foundation of the Revolution, was irreconcilable. Nor, in the 1905

Revolution, did the Bolsheviks form, or in any way propose, Soviets. Only later, when they saw their importance did they change their policy—and even make the Soviet system the central pivotal system.

But decisive power in Russia lies neither with the Trade Unions nor with the Works' Councils. Formally, the Trade Unions are free. No law lays down that they must be led or how they must be led. But, in accordance with the practice of Dictatorship, they have been made completely subservient to the requirements of the Dictatorship. Lenin himself gave the watchword: *The Trade Unions are the school of Communism.*

During the period of *War-Communism*, which followed the October Revolution and lasted until the N.E.P. period (1921) the Trade Unions became *de facto* organs of the State. Their *Legal* absorption by the State was demanded by the Bolsheviks at the first Congress (1918), but this suggestion was rejected. The resolution was worded as follows: "This Congress is firmly convinced that after the present unstable and transitory events have passed, the transformation of the Trade Unions into organs of the Socialist State will be inevitable." Nor did the second Congress, held in 1919, reach any decision. Lenin, true to his fundamental conception, believed the absorption of the Trade Unions by the State to be inevitable, but counselled a postponement of the decision on this question. But the same Congress paved the way for State acquisition by ordering the meetings of workmen in the factories to declare entry into the Trade Unions to be compulsory, i.e., by introducing compulsory combination. In 1920 the Trade Unions had 8,000,000 members. They were in fact State organs, with far-reaching economic functions.

Because of the change in economic policy during the N.E.P. period (1921), the Trade Union policy, had to be changed too. Henceforth the factories were to be operated on the basis of profits and this necessarily led to a conflict with the Trade Unions. The fifth Congress (1922) therefore, laid down new directions for the guidance of Trade Union policy. The Trade Unions were still to remain the School of Communism. They were to look after the interests of the State. Strikes, even disputes in State factories, were not allowed. Compulsory combination was abolished. But only Communist Trade Unions were recognized. The number of Trade Union members thereupon dropped at once to 4,480,000 at the end of 1922 ; but afterwards again increased gradually and steadily. During the N.E.P. period the position of the Trade Unions was completely vague and unstable.

They no longer had any say in the management of the factories, which was henceforth vested solely in the hands of the factory manager. In the economic field they had advisory functions. They had to protect the interest of the workers without, in so doing, obstructing the increase in productivity, and thereby damaging the interests of the State. That this situation gave rise to constant conflicts is hardly surprising.

The period of the five-year Plan (1928) once again led to a change in the structure and functions of the Trade Unions. Russia's rapid industrialization could be brought about only through sacrifices, which had to come mainly from the workers. This meant that the policy of the Trade Unions had to be subordinated entirely to the needs of the five-year Plan. An autonomous wage-policy could not, of course, be reconciled with a centrally directed economic policy.

Wages, therefore, had to be centrally regulated. With this step, the Trade Unions were deprived of their main function—the marketing function. In Russia, as in Italy, this weakening of the Trade Unions provoked a conflict; a clash with *Tomski*, the leader of the Russian Trade Unions. The storm broke out at the eighth Congress (1928) and *Tomski's* attitude was found to meet with considerable approval. But this opposition brought the Communist Party into the arena. At the 16th Party Conference in May, 1929, it was decided to take energetic measures against all the “opportunists” and Trade Unionists who did not fall into line with the new policy. Shortly afterwards the “All-Russian Central Trade Union Council” fell into line, dismissing its old leaders and electing new ones who were “loyal to the line.” The resolution endorsed by the A.C.T.U.C. says:

“The All-Russian Central Trade Union Council deems it extremely dangerous to set the Trade Unions against the Communist Party. The Council agrees with the 16th Conference of the Communist Party, which called for a strengthening of Communist leadership in the Trade Unions.” In a leading article in the Trade Union newspaper “*Trud*”, of June 6th, 1929, headed “Down with Opportunism; Long live the Leninist T.U. Policy,” the decision of the All-Russian Council of Trade Unions is commented on as follows: “We cannot allow the smallest division to exist between the Trade Unions and the Communist Party. For in that event there would be a latent danger that the tie which links the Party with the proletariat, might snap. . . The Trade Unions can be really recognized only if they are under the strong and vigorous leadership of the Communist Party.”

The absolute identity of the Italian and Russian

conflict finds expression in almost the same works. Like Rossoni, Tomski also had to relinquish the leadership of the Trade Unions. The new policy, by which the Trade Unions were made subservient to the exigencies of the five-year Plan, led to increasingly sharp conflicts, especially with Tomski. Finally, the 1930 Congress of the Communist Party branded Tomski an "opportunist" and declared: "The former opportunistic leadership of the A.C.T.U.C. was incapable of understanding the tasks which devolve on the Trade Unions under the Proletarian Dictatorship during the period of reconstruction. Nor is this all. It even resisted the attempts of the Party to organize the Trade Unions and to correct the serious mistakes committed by them. True to Trade Union tendencies, the former presidium of the All-Russian Central Trade Union Council actually repelled the Party from the leadership of the Unions, thus pursuing a most dangerous anti-Leninist policy in setting the Trade Unions against the Party."

This finally ended the conflict. The Party scored a complete victory over the Trade Unions. And since the Party is the State, it was the State which triumphed.

Just as in Italy where the central organization of the Fascist Trade Unions was dissolved, so in 1929 the Russian Dictatorship dissected the 23 Unions, into which the Russian Trade Unions were divided, into a considerably greater number of smaller Unions, in order through this subdivision to gain a stronger hold over the single Union. During the course of the five-year Plan period and the following period the Trade Unions have, to all intents and purposes, become State organs. Their function is essentially to promote socialist competition; to maintain discipline among

the workers and to supervise and control their work. The abolition of the private-business-sector in the economic system, made the State the sole employer, laying down the conditions of employment.

The Trade Unions consequently lost their marketing-function.

But they have not even a really socialistic function. By the decree of September 7th, 1930, the Trade Unions are forbidden to interfere with the functions of the factory manager. This decree, therefore, put an end once and for all to the Bolshevist practice of granting the workers the right to industrial collaboration.

That the Unions are now mere friendly societies can be seen most clearly from the budget of the Central Trade Union Council for 1934, which has been confirmed by the Soviet of Peoples' Commissars.

The total expenditure amounting to 5,050,000,000 rubles is distributed as follows:

Sick Pay and Pensions	...	...	1,514,200,000	rubles
Medical Assistance	...	...	1,040,100,000	"
Care for Children	...	...	327,000,000	"
Rest Houses	...	...	215,300,000	"
Curative Diets	...	...	57,500,000	"
Education	...	...	750,000,000	"
Capital Investment (Buildings)	...	...	884,900,000	"
Inspection of Labour	...	...	41,000,000	"
Organisational and Administrative				
Social Insurance	...	...	50,000,000	"
Central Reserve	...	...	170,000,000	"
			<hr/> 5,050,000,000	<hr/> "

Only the sum of 41,000,000 rubles for Inspection of Labour can be regarded as expenditure on normal Trade Union functions.

If, now, we survey the whole trend of Russian Trade

Union development, we come to the following conclusions:

In the factory, the protection of the workers' interests is entrusted to the Trade Union by virtue of the Decree of March 24th, 1921. In this sphere their influence is great. But it must be remembered that their demands may never conflict with the interests of the State.

Works' Councils, according to the Labour Code of 1922 and the Statute promulgated in 1925, are only organs of the Trade Unions. For a time they had a voice in the management of the factories and workshops; indeed, the decree of November 14th, 1917 about workers' control, vested in them the exclusive right to such management. But this influence vanished as, step by step, the autonomy of the Trade Unions was abolished. Only Trade Unionists are eligible to the Works' Councils. The Works' Council is the organ of the Trade Union, whose directions it has to carry out. It controls the execution of factory laws for workmen's protection, collective wage agreements, etc. . . . Members of the Works' Council can be dismissed only with the concurrence of the Trade Union. Since the Trade Union is an organ of the Party, and hence also of the State, serious conflicts of interest cannot arise.

The labour-market is regulated by State law. In accordance with its statute of September 21st, 1928, the Commissariat of Labour, after consultation with the Commissariat of Finance and the Central Council of the Trade Unions, determines the conditions of employment and wages. The collective agreements concluded between the Trade Unions and the State-undertakings have, therefore, merely the character of executive regulations. By Article 18 of the Labour

Code and the Decree of February 17th, 1933, collective agreements are to be in force for a period of one year. The wage policy at the moment, as Stalin announced in "Pravda" of July 5th, 1931, aims at drawing from each worker the maximum possible amount of work. Piece and time-wages are to be introduced wherever practicable. Equality of wages, which could be attainable only during the period of realized Socialism, is not to be sought at present. Wages, therefore, are paid not according to need but according to efficiency. The All-Russian Central Trade Union Council expressly approved this wage policy (October, 1931).

For the settlement of disputes, arbitration boards and Labour Courts have been created.

The State is in the hands of the Communist Party. How far the State is a Workers' State cannot be discussed and decided here. That Russia is a Dictatorship is indisputable. Whether the Russian people agree with that system, it is, owing to the total lack of any satisfactory standard of judgment, impossible to decide.

In any case, Trade Unions exist only in name. They are *de facto* educational—and cultural—Unions and State organs, which the State uses to carry through the economic policy decided upon by the Communist Party.

III.—NATIONAL SOCIALISM

The development in Germany shows the Fascist tendency not to tolerate any autonomous or semi-autonomous organs between the individual and the State in a much clearer and more distinct way.

On May 2nd, 1933 (Hitler became Chancellor on January 30th, 1933) at 10 a.m. S.A. troupes appeared in all the offices of the Free (Socialist) Trade Unions and

occupied the Trade Union buildings. As late as April 13th, 1933, the leaders of the Socialist Trade Unions had been negotiating with the representatives of the National Socialist factory-cells organization, in order to "save" the Trade Unions. Already on March 21st, 1933, the President of the Socialist Trade Unions, in a letter to Hitler abandoned all his former convictions, renounced political activity, and proclaimed the Free Trade Unions' independence of all political parties. But all in vain! On May 2nd the leaders of the Trade Unions, including himself, were arrested.

The National Socialist factory cells organization, an aid-organization of the National Socialist Party inside the single factories and workshops, but not a Trade Union, put commissaries in the place of the arrested Trade Union leaders, and these then set about trying to do Trade Union Work. This period of the *conquest of the Trade Unions*, however, soon came to an end. For the commissaries who had been appointed, proved themselves wholly incapable of doing their work. Nor is this in the least surprising when it is remembered that all those who could not make good in any other walk of life, the desperate and the opportunist, sought shelter in the ranks of the Nazi Party, where they hoped to obtain a new social status. And thus it was that all the new Trade Union Commissaries were students, professional, employ-workers and even shop owners, to whom every kind of Trade Union activity was a complete mystery. Since autonomous Trade Unions cannot be reconciled with the Fascist State, this period of conquest was soon succeeded by the *period of emasculation*. By a law of May 19th, 1933, thirteen Trustees of Labour were appointed for the whole Reich. These Trustees of Labour were officials of the Reich. With one solitary

exception they were all former legal advisers to big Employers' Associations. These Trustees were to regulate wages and conditions of employment dictatorially. They alone, without any assistance from the Trade Unions, laid down collective agreements on wages and conditions. The Trade Unions were stripped of their functions, and relegated to work of a purely educational character; in other words, the co-operative function was declared to be their only one.

After this suppression of the Free Trade Unions the other two Trade Unions voluntarily subjugated themselves and were absorbed into the conquered Unions. A new organization, known as the German Labour Front, embracing all the former Unions, was formed and recognized as the amalgamation of all the Trade Unions.

But the German worker, who has behind him a ten-years' social democratic and Trade Union education, very soon began to show opposition. In countless meetings of the Trade Unions, discontent was expressed with the fact that the National Socialist Party had not carried out any of the promises it had made during its fight against the Weimar Republic, that the standard of life and wages had not only not risen but had been appreciably lowered through the introduction of short-time work, through innumerable charities and collections for the many different organizations of the Nazi Party.

Finally, by a law of April 4th, 1933, provision was made for the removal of Social Democratic, Communist and Pacifist members of Works' Councils from their posts, and the Police were empowered to appoint new Works' Councils.

But the imminent tendency of Fascism not to brook

any independent movement between the State and the individual soon made itself apparent in the third period, the period of the complete *destruction of Trade Unions*. The Nazi Party resolved to dissolve the Employers' Associations and Trade Unions and to transform the German Labour Front into one single union of all working people,—workers, employers, and, indeed, even of the middle-class. To-day, therefore, the German Labour Front is an organisation of single individuals, a mass-organization embracing 20—25 million people ; which in the main is not organized on an industrial or professional basis and in which only a certain section is divided according to industries. This organization is in reality simply a wonderful asylum for that mass of individuals who enlisted in the National Socialist Party in order to secure a means of livelihood.

Trade Unions in the Italian, or even in the Russian, sense are therefore wholly unknown in Germany to-day. For his lost Trade Union freedom the German worker, like his Italian comrade, is offered a miserable and sterile substitute in the form of a new organization : a leisure-time organisation, called "*Kraft durch Freude*," "Strength through Joy." The tremendous revenue of the German Labour Front is used partly to enable the worker to visit Cinemas and Theatres, to make trips and go on short journeys and to be educated in the National Socialist spirit.

Reverting to our division of the key-points of Property rule made in Chapter I, we find that at all the five points, in the factory and workshop, in the business undertaking, in the labour-market, in the commodity-market and in the State, the influence of the workers has been completely eliminated. This fact stands out particularly clearly in the new law of January 20th,

1934 (Law relating to the regulation of National labour).

By this law the influence of the worker in the *factory* is destroyed. Works' Councils are abolished. The Works' Council is replaced by the Council of Confidence (Vertrauensrat). This Council of Confidence is under the Chairmanship of the employer, who, however, is no longer called employer but "leader" (Fuehrer). Nor are workers and employees workers but "followers" or "vassals" (Gefolgschaft). The "men of confidence" (Vertrauensmaenner) are not elected by any free vote. The employer and chairman of the Nazi factory cell select the candidates, who must be nationally reliable, from among the members of the staff. To the list thus drawn up the staff can say only Yes or No. If it says "No," the trustees of Labour appoints the Men of Confidence.

From the very method by which this new Council of Confidence is constituted it is perfectly obvious that there can be no more talk of any autonomous influence of the workers.

But quite apart from this, the Council of Confidence has been stripped of all the functions possessed by the old Works' Council. Factory legislation is once again vested exclusively with the employer, for he issues the factory rules, and the Council of Confidence, over which he presides, can merely enter complaints to the Trustee of Labour.

The Council of Confidence's rights of collaboration in the administration of the factory are abolished. The fines stipulated in the factory rules are now fixed solely by the employer. The Council of Confidence is a purely advisory Committee. Apart from the existing Labour Law Courts, new *Courts of Honour* have been set up which punish serious violations of duties

"emanating from the community of the undertaking." Employers and employees may be punished if they complain frivolously and repeatedly without reason. The penalties which might be inflicted are: warning, reprimand, fines up to 10,000 Marks (£500), disqualification to act as Leader (for employer) and dismissal (for employees). This revival of mediaeval guild law serves as a weapon against Jews, Socialists, Communists, Pacifists, who are to be eliminated by this legal procedure. And this whole system of the employer's dictatorial rule is veiled by paragraph I of the Labour Law, which states: "The employer as leader of the concern and employees and workers as vassals will work together in the concern and for the furtherance of the aims of the concern and for the common benefit of people and State."

All this is simply mediaeval feudal terminology, the aim of which is to veil the real core of the law, namely paragraph II. This paragraph says: "Decision in all matters affecting the vassals lies with the leader."

In the management of the undertaking, the second point where property displays its power, the influence of workers and employees is abolished, since both the law empowering the Works' Council to send delegates to the Supervisory Boards, and the law which gave them the right to scrutinize the balance sheet and profit and loss account of the concern have been declared null and void.

In the labour-market the slightest influence of the worker has been abolished. According to the new law the fixing of wage rates and regulation of conditions of employment rests primarily with the employer, and only if, in the interest of the workers, a regulation going beyond that of the employer, becomes

compulsory, can the Trustee of Labour issue regulations providing for minimum wages.

The complete enslavement of the worker, the entire loss of every social status he had hitherto possessed, is thrown into relief most glaringly by the new regulation of the labour-market.

Emergency workers who till now had regularly been paid Trade Union rates of wages for their work, henceforth receive only a sum equivalent to their unemployment benefit. If they do not care to loose their unemployment pay entirely, they must do arduous land-labour, road-building, etc. At the end of June, 1934, about 390,000 men were employed as emergency workers.

The second form of slave-labour is that of *land-helpers*. If these boys and girls, aged 18—25, do not want to forfeit their unemployment relief, they must work on the land. To a certain extent they now do the work formerly done by migrant Polish workers. As payment they receive free maintenance.

The third category of slave-labour is *the labour-service*, where young men are given a semi-military training and must do most exacting labour-tasks for a few coppers.

Finally, the law for the regulation of the labour surplus enables the authorities to repeal *the right of free migration*, i.e., to make it impossible for workers and employees to move to a better job.

The middle ages have returned. The worker is chained to his place of labour.

What is true of the labour-market, is true also of the commodity-market. Here, too, there can be no talk of any workers' influence. In the coal and potash industries the old Trade Union leaders have been

displaced and reliable National Socialists put in their place.

At one decisive point the influence of the Reich has indeed been abrogated. The Bruening Government had, at a very high price, acquired from a big industrialist (Flick) who was in financial straits, the majority of the shares in the Gelsenkirchen Mining Co. Ltd., the holding company of the Steeltrust.¹ The Reich had thus come to control one of the most powerful industrial undertakings. Not long after Hitler's seizure of power, however, the shares were sold to Thyssen and a group of his associates, at a very much lower price. A huge reward for Thyssen for the financial support he had lent to the National Socialist Workers Party!

The whole economic legislation of Germany is *feudalistic*. Its one purpose is to protect monopolies, to prevent the interests of existing undertakings being damaged by the rise of new ones, and thus to guarantee monopoly revenue! The law of July 15th, empowers the Reich Minister for Economic Affairs compulsorily to form new cartels and to prohibit the establishment of new undertakings. The laws of May 12th, 1933 and November 25th, 1933, limit the rights of establishing new trading centres, and forbid department-stores and one-piece shops. The Inheritance Law prohibits the selling (voluntarily or compulsorily) of the land of peasants and is intended to make the slogan "Germany's future is based on blood and soil" come true. The social aim of this particular law is to privilege a small section of the community and to play it off against the majority, thus securing a reliable élite of 1,000,000 peasants. Yet even this

¹ On this Trust cf. Colman: *The Structure of Modern Industry*. W.E.A. aids to Study. P. 53.

privilege proves in the end to be a burden to the peasantry, for mortgages cannot be obtained on unsaleable and non-transferable land. As the law applies only to 100% Aryans, hundreds of peasants, anxious not to "benefit" from the Inheritance Law, are at pains to discover Jewish forefathers!

The *State* shows clearly and unequivocally that every element of workers' influence, indeed even the influence of the middle-class, has vanished, and that the old feudal powers: big-capital, heavy industry, landed property and the army continue to rule—this time unencumbered by any democratic control or interference.

The Reich Economic Council has been dissolved. Its place has been taken by a General Economic Council, which is to advise the Government. In the Economic Council there is only one so-called workers' delegate, namely Dr. Ley. All the other members of the Council are persons like Herr von Krupp, Dr. Thyssen, Voegler, etc., all old representatives of monopoly-capitalism and heavy industry. By the Law February 17th, 1934, it has been made possible to organize German industry. The German economy has been divided into different branches. Each branch has been given a so-called leader. Among all these leaders there is not one single representative of the workers. The chief leader was Herr Kessler, the former director of a big electricity works. His deputy is Count von der Goltz, who plays an influential rôle in the landed estates of Pomerania. The other leaders are again Herr Krupp von Bohlen-Halbach, Herr Thyssen, owner of the greatest textile and machine factories, etc.

The German Parliament has no powers. By the Law of March 24th, 1933, the legislative power

has been transferred entirely—to the exclusion even of the President of the Reich—to the Cabinet. All political Parties other than the Nazi Party, are forbidden by virtue of the Law of July 14th, 1933. Their formation, nay even the attempt to form them, is a criminal offence. Freedom of the press is a thing of the past. All the old constitutional rights of the Weimar Constitution, such as the rights of meeting and assembly, freedom of opinion, etc., vanished on February 28th, 1933.

Innumerable laws (29, III., 1933 ; 4, IV., 1933 ; 13, X., 1933 ; 24, IV., 1933) brutalize the penal law, increase the severity of punishments, especially for political offences, and introduce the death sentence in countless new cases.

Germany thus differs in one vital respect from the Italian Corporative structure.

Whereas, formally at least, Trade Unions are recognized in Italy, even though they are not allowed any rights, in Germany they have been altogether abolished. The reasons for this are, mainly, that Germany compressed into the span of 12 months what Italy experienced in the course of a decade ; that the class-war in Germany had reached so great an intensity and bitterness that the new feudal lords now ruling Germany did not think it safe to recognize even a very moderate degree of Trade Union autonomy, since otherwise the Fascist Dictatorship would have been endangered by the contingency that these, albeit dependent, Trade Unions might become the rallying-point for an opposition to the Dictatorship.

But the union of monopoly Capitalism and Fascism does good to neither of the two parties.

With its exorbitant expenditure on the new Bureaucracy, the picked armies, its fantastic agrarian

policy and its fight against the Jews, National Socialism has bankrupted the State and now drags the entire economic system with it into ruin.

Moreover, the Monopolist economy has demoralized National Socialism. The Nazi movement is fast beginning to lose its hold on the masses. The ultimate cause of the alleged insurrection of the S.A. under Roehm is to be sought in National Socialism's betrayal of the masses of the middle-class, employees and small-peasants. The shooting on June 30th, 1934, of those who paved Hitler's way to power, because they became inconvenient to his alliance with Thyssen, landed-property and the Reichswehr, bears out the statement we made when discussing the Italian system; namely: that National Socialism has not one single political idea of its own; that it has only one aim—to stay in Power. All individuals, groups, or ideas which obstruct it in its realization of that aim are betrayed and annihilated.

The fate of the *Austrian Trade Unions* need only be sketched in brief outline, since the Austrian situation is so vacillating that it can change practically every day.

Austrian Fascism is a *clerical Fascism*. It is the regime of the Dictatorship of the Catholic Church, the ancient nobility and a section of the peasantry, organized in the *Heimwehr*. The Church is *anti-German*, since in an overwhelmingly Protestant Germany it would lose its influence. It is opposed to Austrian National Socialism for this, even if for no other reason, since the Austrian Nazis are actively working for the Anschluss. It is *anti-Socialist* because Austrian Social Democracy pushed the influence of the Catholic Church on the educational curriculum into the background. It has, therefore, joined forces with the

Heimwehr brand of Fascism. During the February fighting, the Pope sent his blessing to Dolfuss, the Austrian Chancellor, a secret Concordat having already been signed by Dolfuss on September 5th, 1933.

The Austrian nobility loathes National Socialism because Mussolini has ordered it to do so. On August 20th, 1933, Dolfuss and Mussolini met at Riccione and there came to sham agreements which placed Austria under Italy's protectorate.

The Heimwehr is a mercenary army, paid and equipped by Mussolini, who is opposed to the Anschluss because he dreads a powerful Germany and hopes to weaken the influence both of Germany and France by bringing about an Austrian-Hungarian bloc.

And so, on February 12th, 1934, there was the General Strike of the workers at Linz, which was deliberately provoked by the Heimwehr in order finally to clear away the last remnants of Democracy and so establish their own Dictatorship.

Austrian Fascism is devoid of any sort of mass-basis. It does not even dare to arrange dictatorship elections. The new constitution of May 1st, 1934 is imposed by decree. Under it the Trade Unions suffer the Italian fate, they are absorbed by the State, the organizations of the State employees (railwaymen) having been forced to affiliate to the National Trade Unions already before the Civil War. Their independence was abolished.

To give a more exact account of the conditions prevailing in Austria is, at the moment, impossible.

CHAPTER V

THE FIGHT FOR DEMOCRACY AND THE
TRADE UNION

WE see that the existence of Trade Unions and the preservation of their functions depends on liberal and democratic institutions. Only where the rights of political freedom, liberty of the press, meetings and assembly were firmly entrenched and social freedom and the rights to combination prevailed, have the Trade Unions been able to fight for the social and political liberty of the worker. Only democracy, coupled with political liberty, gave the working class the chance to exercise political power. Only Democracy guarantees continuity of normal function. Even a reactionary Government, so long as it pursues its reactionary policy on the soil of Democracy and political liberty, will not be able seriously to endanger Trade Unionism. For control through public opinion and the relativity of Democracy, which gives the opposition the chance to attain power, prevents the destruction or the rendering illegal of Trade Unions.

No modern Dictatorship can recognize the Trade Unions as independent bodies. There are two reasons why it cannot do so. Firstly, Fascist Dictatorship cannot commit suicide. And it would be suicide for it to allow independent workers' organization to continue in existence, even if these organizations were unpolitical, because the fact of independent organizations must inevitably lead to opposition against the Fascist Dictatorship.

Secondly, the Fascist Dictatorship, as the Dictatorship of monopoly-capital and landed property, feudalizes society, i.e., it must transform society from a dynamic into a static phenomenon. It must allot to everybody including the worker, his station in society; and from this allotted station there is no upward movement. Fascist Dictatorship turns the worker into a bondman. Fascist Dictatorship averts the danger, which modern mass-democracy constitutes to property, by destroying democracy itself. In so far as the totalitarian States tolerates Trade Unions at all, they become either *de jure* or *de facto* State organs. But, even then, they are stripped of all influence. They are restricted to the most colourless of all functions and merely become propagandist and pleasure-associations (Dapolavoro ; Strength through Joy).

The Totalitarian State is simply a mask. Totalitarianism under Fascism means that all functions and activities in society are really under State control, that any rights of liberty independent of the State are not recognized.

Does Fascism give effect to this formula? Yes, so far as the political sphere is concerned. Here, in the realm of politics, the process of State absorption and feudalisation is carried through with exacting thoroughness. Political liberty is killed.

But Fascism does not apply that formula in the economic sphere. For the Totalitarian State theory is in reality the Bolshevik theory of the State in the period of transition to the proletarian Dictatorship. Were Fascism to take the formula of the Totalitarian State seriously, it would have to socialize. Is there to-day a social organism that is more powerful than Property? Undoubtedly not. In this case therefore, the Totalitarian State ought to socialize. It

does not do so. For it represents the rule, by dictatorial methods, of a small, exclusive feudal minded group over State and Society. It uses dictatorial methods in the political sphere. The masses lose political function. They are inarticulate, they have no power of self-expression.

In the economic sphere, the Fascist State is capitalistic. Of course, it is not liberal. It intervenes of course for the benefit of property, for the maintenance and strengthening of the feudal class's power. German and Italian legislation, of which we have here described but a very tiny part, prove this thesis to be correct.

Political science has rendered no greater disservice to knowledge than through its coining the words "negative" and "positive" State, and "Non-Interventionist" and "Interventionist State." For in using words like the word "negative State" we associate it—often quite unwillingly—with something bad and weak, whilst in our use of the word "positive State" we think—again, often unconsciously—of something good and strong.

Nothing could be more erroneous than this. The Negative State is neither good nor bad. The Positive State, neither strong nor weak. Everything depends on the functions exercised by the State in the life of society. The negative non-interventionist State was a strong State in the laissez-faire economy, because the economic system was strong enough to assert itself. In the laissez-faire period the negative State was just as strong as the economic system required it to be. Whenever it was a question of defending that economic system against internal disturbances (strikes) or external disturbances (war), then even this so-called negative State showed itself to be extremely strong, for it knew

how to rally and organize forces for the defence of the system. Monopoly-economy, on the other hand, which is based on monopoly rents, must collapse in a negative State, as soon as a really grave economic crisis occurs. In such a situation, the monopoly-economy needs the help of the State in the form of tariffs, quotas, import prohibitions, stimulants to cartelization and open subsidies. Democracy under public control and criticism, cannot come to the assistance of monopoly-capitalism in so generous a measure. Therefore, monopoly capital overthrows democracy and establishes the Dictatorship of so-called totalitarian-interventional State, which guarantees monopoly-rents, gags the workers and enslaves the citizen. The German Cartel system, brought to the verge of financial ruin by the economic crisis of 1930—32, has been saved by the Fascist State.

The positive-totalitarian State, therefore, stabilizes the Dictatorship of property in all its five spheres—and here we revert to the starting point—as ruler over the individual in his capacities as worker, consumer and citizen.

Formal criteria, such as negative and positive, intervention and non-intervention, are no standard for us. We know only one final, authoritative standard: *The position of the worker in the system.* We are not concerned either with a strong or a weak State, as such, but solely with the question: How far does the State realize the dignity of the worker? Property should not dominate man, but man should dominate property. Circumstances should not sway the destiny of man, but man should control circumstances.

This final aim can be attained only in a democracy, which rests upon the identity of ruler and ruled and secures this end by the method of political liberty

(right to the electoral franchise, liberty of press, meet- and assembly) and the method of social liberty (freedom of combination).

This struggle for the realization of true democracy, the working class can and must wage on two fronts: as a social struggle and as a political battle.

But at a time when the State has definitely entrenched itself as the organ of force in social relationships, when the form and contents of the State's functions have acquired increasing significance, *the fight for control of the State becomes the central task of the working class.*

This fight is a political fight. It demands that all the forces of the working class movement, including the forces of the Trade Unions, subordinate themselves to the political lead. It is just because of this that the English "Trade Disputes" and Trade Unions Act, 1927¹ is of such ominous significance.

This Act introduced various limitations upon the right to strike, partly with a view to preventing general strikes, but dealing also with other matters. The chief limitations are:

(1) Any individual engaging in a trade dispute is liable to criminal proceedings if, by breaking a contract of employment, injury or danger or grave inconvenience to the community is likely to result.

(2) A strike is illegal which has any object other than, or in addition to the furtherance of a trade dispute within the trade or industry in which the strikers are engaged.

(3) A strike is illegal if it is designed or calculated to coerce the Government either directly or because it

¹ 17 and 18 Geo. V. c. 22.

would be reasonably likely to inflict hardship upon the community.

The political authority of the English Trade Unions is, thus, narrowly circumscribed by law, and the most important weapon for the defence of Democracy—the strike—has been taken away from them.

To-day, therefore, it is no longer a question of a little more or a little less social reform, of more or less social legislation, but it is a question of the destiny of the entire working class. Whoever recognizes the Trade Unions to be an indispensable factor in this fight, and realizes that their existence and functions as independent organs can be assured only on a democratic soil, must also admit that politics and the political struggle predominate over the Trade Union struggle.

The fight for Democracy is at one and the same time also the fight for Socialism. Democracy, to be sure, rests on liberty, but its substance is *equality*.

The idea of popular sovereignty means that ruler and ruled are identical. But if this is true, every individual must have an equal share in democracy. This "share" of the individual in political rule has, in the course of history, undergone decisive changes ; it has—to reduce it to a short formula—passed through four stages.

Equality was first of all *personal equality*. What this meant becomes clear when we contrast it with the State of slavery ; with bondsmanship and feudal institutions.

Equality, secondly, is *legal equality* and means that existing laws must be applied equally to everybody, irrespective of religion, race, social status, profession or sex. This form of equality does not forbid the creation of unjust laws—but it does forbid the unequal application of laws, be they good or bad, and in

particular favouritism of certain groups on the part of the judge and the magistrate.

Thirdly, equality stands for *political equality*. This form of equality finds expression in such institutions as equal rights to the electoral franchise, equal accessibility to all public posts, etc.

But, finally, equality is *social equality*. All political institutions of democracy are perverted by private property in the means of production. Personal, legal, political equality—they all can be fully realized only, when private property is abolished, when men have an equal control over property.

The Trade Unions have, therefore, a vital social and political function. As social unions they use their economic power for the limitation of the dictatorship of private property. As political unions they fight for political machine of Democracy, so long as Democracy prevails.

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